Guide to the Mobilehome Residency Law "Rights and Responsibilities"

2009 Edition

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Introduction

A. Mobilehome Residency Law - In General

In 1978, the California Legislature enacted the Mobilehome Residency Law ("MRL")¹, which extensively regulates the landlord-tenant relationship between mobilehome park owners and mobilehome owners ("homeowners"²).

The MRL covers a wide range of topics such as the terms of rental agreements, park management, sales, termination of tenancies and enforcement of mobilehome resident rights. The MRL provides many special rights not available to the more traditional residential tenants.

B. Copy of MRL to be Provided to all Homeowners

Park owners and/or managers are required to provide a copy of the MRL to all homeowners prior to February 1 of each year, if the legislature enacted any significant changes during the prior year. (Civil Code §798.15(c))

C. <u>Limitations of the MRL and this Guide</u>

The MRL is not applicable to tenants who rent a mobilehome from a homeowner.³

In addition, certain provisions of the MRL are applicable to residentowned mobilehome parks and those parks that are organized as a subdivision, cooperative or condominium project. This Guide pertains solely to the provisions of the MRL that are applicable to privately owned mobilehome parks in which the park owner owns all of the property within the park and rents the spaces to homeowners and residents.

¹ The term "homeowner" means a person who has a tenancy in a mobilehome park under a rental agreement. (Civil Code § 798.9)

² Civil Code §§ 798-799.2.5

³ While such tenants are not covered by the MRL, they are covered by other landlord-tenant laws and codes.

D. Other Relevant State Laws

In addition to the landlord and tenant provisions established in the MRL, the following other California laws regulate mobilehomes and mobilehome parks:

- The Mobilehome Parks Act, which regulates the installation and maintenance of mobilehomes and the construction, maintenance and operation of mobilehome parks. (Health & Safety Code §§ 18200 et seq.)
- The Mobilehome Accommodation Structures Law, which regulates buildings and other structures designed to accommodate mobilehomes above-grade. (Health & Safety Code §§ 18800 et seq.)
- The Mobilehomes-Manufactured Housing Act, which regulates and establishes standards for equipment, installation, sales and escrows, and registration and titling of mobilehomes and commercial coaches. (Health & Safety Code §§ 18000 et seq.)
- Mobilehome Park Ownership Assistance law, which permits the Department of Housing and Community Development ("HCD") to provide technical assistance to mobilehome park residents to purchase the park in which they reside. (Health & Safety Code § 50523)

Defined Terms

The term "City" means the City of Rancho Mirage.

The term "homeowner" means the person who has a tenancy in a mobilehome park under a rental agreement or lease. (Civil Code § 798.9)

The term "management" means the owner of a mobilehome park or an agent or representative authorized to act on the owner's behalf in connection with matters relating to tenancy in the park. (Civil Code § 798.2)

The term "resident" refers to a homeowner or other lawful occupant of a mobilehome. (Civil Code § 798.11)

The term "tenancy" means the right of a homeowner to the use of a site within a mobilehome park on which to locate, maintain and occupy a mobilehome, site improvements and accessory structures for habitation, including the use of the park's services and facilities. (Civil Code § 798.12)

The term "legal owner" means a person who holds a security interest in a mobilehome who has filed the appropriate documents with HCD. (Health & Safety Code § 18005.8)

The term "registered owner" means a person registered by HCD as the owner of a mobilehome. (Health & Safety Code § 18009.5)

The term "lienholder" means a person, other than a legal owner, who holds a security interest in a mobilehome who has filed the appropriate documents with HCD. (Health & Safety Code § 18005.3)

Enforcement of Legal Rights

A. State's Enforcement Authority

The state mobilehome ombudsman is a deputy director in the Department of Housing and Community Development who is designated by the Governor to assist in resolving complaints from the public relating to mobilehomes, including problems of titling and registration, installation, warranties, financing, sales, inspection of homes and parks, mobilehome accessories and improvements, and problems relating to the MRL.

HCD's Ombudsman answers questions about the interpretation of the MRL, and other laws and regulations related to mobilehomes, and will take complaints, which will be referred to park management. The ombudsman does not arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, or disputes arising from lease or rental agreements, but may provide information on these issues. (Health & Safety Code §§ 18151, 18152)

B. <u>City's Enforcement Authority</u>

While the City has enforcement authority for building codes and standards within mobilehome parks under the Mobilehome Parks Act⁴ ("Act"), it does not enforce the provisions of the MRL on behalf of residents or park owners or management. However, the City Attorney may file a public nuisance action if there has been a substantial failure by management to maintain the physical condition of the park or if there has been a substantial violation of a park rule by management or by a homeowner. (Civil Code § 798.87)

C. Homeowner's and Park Owner's Enforcement Authority

No rental⁵ or sale agreement may contain a provision by which the purchaser or homeowner waives his or her rights under the MRL and any such waiver is void and unenforceable. (Civil Code § 798.77)

Homeowners, park owners and managers are authorized to file a civil lawsuit to address violations of the MRL. Attorney's fees are included in the remedies that can obtained, and for willful violations on the part of park management, monetary penalties or punitive damages may be awarded in addition to actual damages. (Civil Code §798.85, §798.86)

Notice of Park Zoning or Use Permit; Notice of Duration of Park Lease

A. Notice of Park Zoning and Use Permits

Park management must provide written notice to all homeowners and prospective homeowners of the nature of the zoning or use permit pursuant to which the park operates. If the park is operating pursuant to a permit that is subject to a renewal or expiration date, the notice must include relevant information and dates. (Civil Code § 798.27(a))

⁴ Health & Safety Code § 18200 et seq.

B. Notice of Park Lease

Park management must provide written notice to all homeowners and prospective homeowners of the duration of any lease of the park or portion of the park in which management is a lessee. (Civil Code § 798.27(a))

C. Notice of Change of Zoning, Use or Lease

If a change occurs in the park's zoning or use permit under which the park operates, or a change in a lease in which management is a lessee, management must give all homeowners written notice within thirty days of that change. (Civil Code § 798.27(b)).

See section "Eviction Based on Change of Use" below for additional requirements pertaining to the change in the use of the park.

Rental Agreements

A. <u>Contents</u>

Rental Agreements for mobilehome parks must contain the following:

- The term of the tenancy and the rent;
- The park rules and regulations;
- A provision stating that it is the responsibility of the management to maintain the common areas in good condition;
- A description of the physical improvements to be provided during tenancy;
- A list of services that will be provided during the length of the tenancy; and
- A provision stating that management may charge a reasonable fee for services for maintenance of the land and premises upon which a mobilehome is situated in the event the homeowner fails to maintain

the land and/or premises in accordance with the park rules and regulations if the homeowner fails to comply within fourteen days of the park's written notice of the specific conditions to be corrected. (Civil Code § 798.15)

The agreement must also attach a copy of the park rules, a written disclosure regarding park conditions, and a copy of the MRL, all of which are deemed part of the agreement. (Civil Code § 798.15(c))

B. Term

Every homeowner must be offered a written rental agreement for a term of twelve months, unless the homeowner requests a shorter period. A term of more than twelve months cannot be required, but can be agreed upon by the homeowner and park owner and/or manager. A rental agreement or lease for a period of years cannot be renewed automatically without the homeowner's consent. (Civil Code § 798.18)

C. Delivery of Executed Copy

An executed copy of the rental agreement must be given to the homeowner within fifteen business days after management has received the rental agreement signed by the homeowner. (Civil Code § 798.16)

D. Rental Agreement Disclosure Form

At least three days prior to execution of a rental agreement or any other statement signed by the park management and the prospective homeowner that the parties have agreed to the terms and conditions of the rental agreement, management must provide the prospective homeowners with a completed Mobilehome Park Rental Agreement Disclosure Form. (Civil Code § 798.75.5(a))

In sum, the form provides information regarding the existence, operating conditions of and lawsuits concerning the park or common area facilities such as clubhouse, walkways, streets, electric, gas and water utility systems, septic or sewer systems, common area lighting,

playgrounds, RV storage, parking areas, swimming pools and spas and laundry facilities. (Civil Code § 798.75.5(b)) Management must update the information on the disclosure form annually, or, upon a material change in the condition of the park. (Civil Code § 798.75.5(a))

E. School Facilities Fee Disclosure

Park management, at the time of an application for residency, must disclose in writing to any person who proposes to purchase or install a manufactured home or mobilehome on a pad or foundation constructed after September 1, 1986 and upon which no other manufactured home or mobilehome was previously located, that the mobilehome may be subject to a school facilities fee. (Civil Code § 798.82)

Rental Agreements Exempt from Rent Control

A. Effect of Rent Control Ordinance

The rent control ordinance prohibits mobilehome park owners from requesting, demanding or receiving a rent increase from eligible homeowners⁶ that exceeds three-fourths of the increase in the cost of living indicated in the latest available Consumer Price Index for the preceding twelve-month period. The City's rent control ordinance also limits park owners to one rent increase within a twelve-month period.

B. Homeowners Not Covered by Rent Control Ordinance

A homeowner is not entitled to the protections afforded by the rent control ordinance if he or she enters into a rental agreement that meets all of the following criteria:

- The term of the rental agreement is in excess of twelve months (long-term);
- The rental agreement is entered into between the management

⁶ "Eligible homeowners" are those who have entered into a lease agreement with the park for a period of twelve months or less and for whom the mobilehome serves as their primary residence.

and a homeowner for the personal and actual residence of the homeowner; and

• The homeowner is given at least thirty days from the date the rental agreement is first offered to the homeowner to accept or reject the rental agreement.

A homeowner who executes a rental agreement meeting all of the above criteria may void the rental agreement by notifying management in writing within seventy-two hours of the homeowner's execution of the rental agreement. (Civil Code § 798.17(b))

C. <u>Duration of Exemption</u>

A homeowner who enters into a rental agreement that meet all of the foregoing criteria is exempt from the rent control ordinance during the duration of the term of that agreement or one or more uninterrupted, continuous extensions of that agreement. (Civil Code § 798.17(a)(1))

D. Prior Written Notice Requirements Under the MRL

At the time the rental agreement is first offered to the homeowner, management must provide written notice to the homeowner of his or her right to have at least thirty days to inspect the rental agreement, and to void the agreement by notifying management in writing within seventy-two hours of acceptance of the agreement. The homeowner must acknowledge, in writing, receipt of such written notice. (Civil Code § 798.17(f))

If management fails to provide the advance written notice, the homeowner has the option of voiding the agreement once he or she discovers management's duty and failure to provide the requisite written notice. (Civil Code § 798.17(f))

E. <u>Inclusion of Provision in Rental Agreement</u>

Rental agreements that meet all of the foregoing criteria and are entered into on or after January 1, 1993, must contain a provision that

gives notice to the homeowner that the rental agreement is exempt⁷ from the City's rent control ordinance. The provision must be located in the first sentence of the first paragraph of any rental agreement and printed in at least twelve-point boldface type or in capital letters if the rental agreement is typed. (Civil Code § 798.17(a)(2))

F. Effect of Rejected Agreement

If the homeowner rejects the offered rental agreement at least thirty days from the date the rental agreement is first offered, or rescinds a signed rental agreement by notifying management in writing within seventy-two hours of executing the agreement, the homeowner is entitled to instead accept a rental agreement for a term of twelve months or less from the date the offered rental agreement was to have begun. (Civil Code § 798.17(c))

If the homeowner elects to have a rental agreement for a term of twelve months or less ("short-term") the rental agreement must contain the same rental charges, terms, and conditions as the rental agreement first offered, except for options contained in the offered rental agreement to extend or renew the rental agreement. (Civil Code § 798.17(c))

G. No Automatic Extension of Agreement

No rental agreement entered into on or after January 1, 1993 that is exempt from rent control may contain a provision which authorizes automatic extension or renewal of, or automatically extends or renews, the rental agreement for a period beyond the initial stated term at the sole option of either the management or the homeowner. (Civil Code § 798.17(g))

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ordinance. (RMMC § 9.58.020(C)(2))

⁷ Before a homeowner executes a long-term rental agreement, the park owner must provide the homeowner with a copy of the rent control ordinance and must inform the homeowner, both orally and in writing, that if he or she executes the long-term lease which has been reviewed and approved by the Commission, the agreement may not be subject to the terms and protections of the rent control

H. Effect of New Short-Term Rental Agreement

A homeowner who initially elects to enter into a long-term agreement may later elect not to extend the initial long-term agreement and opt to qualify as an eligible homeowner by entering into a short-term rental agreement. In that case, the last rental rate charged for the space under the previous rental agreement is used to determine the base rent for purposes of the rent control ordinance. (Civil Code § 798.17(a)(1))

No Rent Control Protection for Non-Residents

A. Non-Principal Residence Defined; Exemption

A mobilehome is considered the principal residence of the homeowner unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's exemption for another property or mobilehome in California, or unless a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state. (Civil Code § 798.21(c))

If a mobilehome space within a mobilehome park is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party, it is exempt from the City's rent control ordinance. (Civil Code § 798.21(a))

B. Records Review; Notification Required; Homeowner Response

Before modifying the rent or other terms of tenancy as a result of a review of records, management must notify the homeowner, in writing, of the proposed changes and provide the homeowner with a copy of the documents upon which management relied. (Civil Code § 798.21(d))

The homeowner has ninety days from the date of the notice to review and respond. Management may not modify the rent or other terms of tenancy prior to the expiration of the ninety-day period or prior to responding, in writing, to information provided by the homeowner. (Civil Code § 798.21(e))

Management may not modify the rent or other terms of tenancy if the homeowner provides documentation reasonably establishing that the information provided by management is incorrect or that the homeowner is not the same person identified in the documents. (Civil Code § 798.21(e))

C. Limitations

This section does not apply under any of the following conditions:

- The homeowner is unable to rent or lease the mobilehome because the owner or management of the park does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.
- The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a licensed real estate broker or a mobilehome dealer. However, the homeowner, real estate broker, or mobilehome dealer attempting to sell the mobilehome must actively market and advertise the mobilehome for sale, in good faith, to bona fide purchasers for value in order to remain exempt.
- The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.

(Civil Code § 798.21(f))

No Rent Control Protection for Newly Constructed Spaces

A. Newly Constructed Spaces Defined; Exemption

Newly constructed spaces are exempt from the city's rent control ordinance. (Civil Code § 798.45) A newly constructed space is one

that is initially held out for rent after January 1, 1990. (Civil Code § 798.7)

B. Permissible Charges

Management may separately charge a homeowner whose mobilehome is located on a newly constructed space for any of the following:

- The amount of any governmental fee, assessment or other charge first imposed upon the space on or after January 1, 1995;
- The amount of any increase on or after January 1, 1995, in an existing governmental fee, assessment or other charge imposed upon the space; and
- The amount of any fee, assessment or other charge upon the space first imposed or increased on or after January 1, 1993, pursuant to any state or locally mandated housing program. (Civil Code § 798.49(a))

C. <u>Effect of Decrease or Elimination of Governmental Fee</u>

If the governmental fee, assessment or other charge is decreased or eliminated, management is required to decrease or eliminate the fee, assessment or charge accordingly. (Civil Code § 798.49(b))

D. <u>Billing</u>

The amount of the governmental fee, assessment or charge must be stated separately on the homeowner's bill. (Civil Code § 798.49(c))

If the fee or charge has a limited duration or is amortized for a specified period, the expiration date must be stated on the initial notice and each subsequent billing to the homeowner while the fee or charge is billed to the homeowner. (Civil Code § 798.49(e))

E. Effect on Rent Adjustments

Any change in the amount of the governmental fee, assessment, or other charge must be considered when determining any rental adjustment under the City's rent control ordinance. (Civil Code § 798.49(c))

F. Exceptions

The rent control exemption for newly created spaces does not apply to the following fees:

- Fees, assessments, or charges imposed pursuant to the Mobilehome Parks Act unless specifically authorized by the Act;
- Costs imposed on management by the court as a fine or penalty;
- Any fee or other exaction imposed upon management for the specific purpose of defraying the cost of administration of the city's rent control ordinance; or
- Any tax imposed upon the property by the city and/or county. (Civil Code § 798.49(d))

G. Rent Increases Under the MRL

The MRL requires park management to provide homeowners with written notice of any increase in rent at least ninety days before the date of the increase. (Civil Code § 798.30)

Security Deposits

A. Right to Demand Security Deposit; Limitations

Management may only demand a security deposit on or before initial occupancy and the security deposit may not be in an amount or value in excess of an amount equal to two months' rent that is charged at the inception of the occupancy, in addition to any rent for the first month. (Civil Code § 798.39(a))

Park management may only demand a security deposit on or before the initial occupancy. Management cannot demand additional deposits following the homeowner's initial occupancy. (Civil Code § 798.39(a))

B. Refund of Security Deposits

For security deposits collected on or after January 1, 1989, management must refund the security deposit within thirty days of a homeowner's written request, if the homeowner has paid management, within five days of the date due, all of the rent, utilities, and reasonable service charges due for the twelve months subsequent to the collection of the security deposit, or upon resale of the mobilehome, whichever occurs first. (Civil Code § 798.39(b))

For security deposits collected prior to January 1, 1989, management must refund the security deposit within sixty days upon the extension or renewal of the rental agreement or lease between the homeowner and management, and management's receipt of homeowner's written refund request, if homeowner has paid management, within five days of the date due, all of the rent, utilities, and reasonable service charges for the twelve months subsequent to receipt of the written refund request, or upon resale of the mobilehome, whichever occurs first. (Civil Code § 798.39(c))

C. Security Deposits Held Pending Park Sale or Transfer

If the park is sold or transferred to any other party or entity, the selling park owner must deposit in escrow an amount equal to all security deposits that the park owner holds. The seller's escrow instructions must direct that, upon close of escrow, the security deposits held by the selling park owner (including the period in escrow) for twelve months or more, must be promptly disbursed to the persons who paid the deposits. (Civil Code § 798.39(d))

D. <u>Disbursement by New Park Owners</u>

All other security deposits that were held by the selling park owner

but were not required to be disbursed in escrow, must be disbursed to the successors in interest, who then assumes the same obligations for disbursement as the previous park owner. The disbursal may be made in escrow by a debit against the selling park owner and a credit to the successors in interest to the selling park owner. (Civil Code § 798.39(e))

E. No Interest Due

Management is not required to place any security deposit collected in an interest-bearing account or to provide a homeowner with any interest on the security deposit collected. (Civil Code § 798.39(f))

Park Rules and Regulations

A. Applicability of Rules to Park Owner and Employees

The park owner and any person employed by the park must comply with all park rules and regulations to the same extent as residents and their guests with the exception of the following:

- Any rule or regulation governing age; and
- Any acts of a park owner or park employee required to fulfill the park owner's maintenance, management and business operation responsibilities. (Civil Code § 798.23)

B. Attachment of Rules and Regulations to Rental Agreement

A copy of the current park rules and regulations must be attached to every rental agreement. (Civil Code §798.15)

C. <u>Notice of Proposed Changes</u>

When management proposes an amendment to a park's rules and regulations, it must meet and consult with the homeowners and their representatives after providing at least ten days advance notice of the

meeting. The notice must set forth the proposed amendments and specify the time, date and location of the meeting. (Civil Code §978.25(a))

Park rules that apply to recreational facilities may be amended without homeowner consent upon written notice of not less than sixty days. All other park rule amendments may be implemented by management, only after a six-month waiting period unless homeowners voluntarily accept the changes. (Civil Code §978.25(b))

If the management proposes an amendment to the park's rules and regulations mandated by a change in the law, it may implement the amendment with the homeowners' consent or without the homeowners' consent upon written notice of at least sixty days. (Civil Code §798.25(d))

D. <u>Void Amendments</u>

Any amendment to the park's rules and regulations is void and unenforceable if it creates a new fee payable by the homeowner that was not expressly agreed upon by the homeowner and management in the written rental agreement. (Civil Code §798.25(e))

E. Right of Entry Into Mobilehome

Park owners and management have no right of entry into a mobilehome or any enclosed assessory structure without the prior written consent of the resident unless there is an emergency or the resident has abandoned the mobilehome. A resident has to right to revoke his or her consent, in writing, at any time. (Civil Code § 798.26) [2009 NEW LAW⁸]

Park owners and management have the right to enter the land upon which a mobilehome is situated, to do all of the following:

Maintain utilities, trees, and driveways;

[®] The 2009 update of this provision expanded the prohibition to include an enclosed assessor structure, which was not previously included.

- Maintain the premises in accordance with the park rules and regulations of the park when the resident fails to do so; and
- Protect the park at any reasonable time, provided the owner and/or management does so in a manner that does not interfere with residents' quiet enjoyment of their homes. (Civil Code § 798.26)

Law enforcement officers have the authority to respond to a "trespass" call from a resident who has not provided the park owner or management with the requisite consent to enter his or her property.

F. Disclosure of Park Owner Information

Park management must disclose, in writing, the name, business address, and business telephone number of the park owner upon the request of a homeowner. (Civil Code § 798.28)

G. Vehicle Removal

Management may cause the removal of a vehicle parked within the park to the nearest public garage, when there is displayed, in plain view at all entrances to the park, a sign not less than 17 by 22 inches in size, with lettering not less than one inch in height, that prohibits public parking, indicates that vehicles will be removed at the owner's expense, and contains the telephone number of the local traffic law enforcement agency. The sign may also indicate that a citation may also be issued for the violation. (Civil Code § 798.28.5(a)⁹)

Prior to towing a vehicle parked in a homeowner's or resident's driveway or in a homeowner's or resident's designated parking space, management must first post on the vehicle's windshield, a notice stating management's intent to remove the vehicle in seven days and stating the specific park rule that the vehicle has violated that justifies its removal. (Civil Code § 798.28.5(b)(1))

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⁹ Signage requirements found at Vehicle Code § 22658.

Upon the expiration of the seven-day period, the posted vehicle may only be towed if it remains parked in violation of the rule for which notice was given. (Civil Code § 798.28.5(b)(1))

If, within the seven-day period, the posted vehicle is removed from the park by a homeowner or resident and then returned and parked in violation of the same rule stated in the initial notice, management may tow the vehicle after the expiration of the seven-day period without posting any additional notice on the vehicle. (Civil Code § 798.28.5(b)(1))

If a vehicle poses a significant danger to the health or safety of a park resident or guest, or if a homeowner or resident requests to have a vehicle removed from his or her driveway or designated parking space, management may tow the vehicle by following the Vehicle Code procedures¹⁰ for towing a vehicle from private property without first posting the vehicle with a notice of violation, and without waiting for the expiration of the seven-day period.

H. <u>Senior Only Restrictions</u>

Management may require that a prospective purchaser comply with any rule or regulation that limits residency based on age requirements for housing for older persons, provided that the rule or regulation complies with the federal fair housing laws. (Civil Code § 798.76)

I. <u>Live-in Caretakers</u>

Any homeowner may share his or her mobilehome with any person over eighteen years of age if that person is providing live-in health care or live-in supportive care to the homeowner pursuant to a written treatment plan prepared by the homeowner's physician. The management shall not charge a fee for the live-in caretaker. The live-in caretaker as no rights of tenancy in the park and any agreement between them does not change the terms and conditions of the rental

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¹⁰ Towing procedures found at Vehicle Code § 22658.

agreement between the management and the homeowner. The live-in caretaker must comply with the park rules and regulations. (Civil Code §798.34(c)) [2009 NEW LAW¹¹]

A senior homeowner¹² who resides in a mobilehome park that has rules or regulations limiting residency based on age requirements may share his or her home with any person over eighteen years of age that is his or her parent, sibling, child, or grandchild if the senior homeowner requires live-in health care, live-in supportive care or supervision pursuant to a written treatment plan prepared by a physician and surgeon. Management may not charge a fee for the live-in caretaker. Any agreement between the senior homeowner and the live-in caretaker does not change the terms and conditions of the rental agreement between the management and the homeowner. Unless otherwise agreed, management is not required to manage, supervise or provide for the live-in caretaker during his or her stay in the park. The live-in caretaker has no rights of tenancy in the park and must comply with all park rules and regulations. A violation of the rules and regulations by the live-in caretaker is deemed a violation by the homeowner. (Civil Code § 798.34(d))

J. <u>Guest Restrictions</u>

Guests of a resident may stay in the home without a fee, as long as they do not stay more than twenty consecutive days or thirty total days in a year. (Civil Code §798.34(a))

A homeowner who lives alone is entitled to have one other person share his or her home, and may do so without paying any additional fee to management. The person is considered a guest of the homeowner and any agreement between the homeowner and the guest does not change the terms and conditions of the rental agreement between the management and the homeowner. The guest must comply with the park rules and regulations. (Civil Code §798.34(b))

The statute previously provided this benefit only to senior homeowners 55 years of age or older.

Guide to the Mobilehome Residency Law – 2009 Green, de Bortnowsky & Quintanilla, LLP

The term "senior homeowner" refers to any homeowner who is 55 years of age or older. (Civil Code § 798.34(d))

K. Pet Restrictions

No lease entered into, modified or renewed on or after January 1, 2001, may prohibit a homeowner from keeping at least one pet 13 within the park, subject to the reasonable park rules and regulations. (Civil Code § 798.33)

L. Recreational Vehicle Restrictions

Mobilehome spaces in a park developed after January 1, 1982 may not be rented for the accommodation of recreational vehicles unless the park has a specifically designated area for recreational vehicles, which is separate and apart from the area designated for mobilehomes. Recreational vehicles may be located only in that specifically designated area. (Civil Code § 798.22(a))

Any new mobilehome park that is developed after January 1, 1982, is not subject to the above restrictions until seventy-five percent of the spaces have been rented for the first time. (Civil Code § 798.22(b))

M. Notice of Ombudsman

Park management must post a sign in the mobilehome park clubhouse or in another conspicuous public place within the park with the name, address, and telephone number of the mobilehome ombudsman in large boldface print. (Civil Code § 798.29; Health & Safety Code § 18253.5)

N. <u>Disabled Accommodations</u>

Park management must allow a resident to install disabled accommodations, such as ramps, as long as those installations meet code requirements. The accommodations can be required to be removed on resale. (Civil Code § 798.29.6) [2009 NEW LAW]

The term "pet" refers to any domesticated bird, cat, dog, aquatic animal kept within an aquarium or any other animal as agreed to between the management and the homeowner.

Right to Quiet Enjoyment

Every mobilehome rental agreement contains an implied covenant of quiet enjoyment, whereby the landlord impliedly covenants that the tenant shall have quiet enjoyment and possession of the premises. (Andrews v. Mobile Aire Estates (2005) 125 Cal.App.4th 578, 588) Park management cannot disregard conduct by a park resident that constitutes a substantial annoyance to other residents. (Civil Code § 798.56(b))

In the event a resident is causing substantial annoyance, the covenant of quiet enjoyment requires a reasonable response by park management, which may include conducting an investigation and thereafter taking appropriate action, which may include any of the following:

- Issuance of a warning to the offending party;
- Pursuit of injunctive relief against the tenant to enjoin the violation; or
- Commencement of eviction proceedings. (Andrews at p. 597).

Fees and Charges

A. <u>Permissible Fees and Charges</u>

Generally, in addition to rent and security deposits, park management may only charge homeowners for utilities and incidental reasonable charges for services actually rendered, such as performing regular maintenance tasks to enhance the utility or safety of the park. (Civil Code § 798.31)

Management may charge a reasonable fee to maintain the land upon which a mobilehome is located if the homeowner fails to do so as required by the park rules and regulations. However, prior to charging the fee, management must provide written notification to the homeowner which specifies the condition to be corrected and estimates the charges to be imposed by management if it or its agent performs the services. Prior to charging the fee, the homeowner must be given fourteen days to comply with the notice. (Civil Code § 798.36(a))

B. New Fees or Charges

Management must provide sixty days prior written notice before charging a homeowner a fee for services actually rendered that are not listed on the rental agreement. (Civil Code § 798.32(a))

Any new fees or charges for which management has provided the required sixty-day notice must be stated separately on any monthly or other periodic billing to the homeowner. If the fee or charge has a limited duration or is amortized for a specified period, the expiration date must be stated on the initial notice and each subsequent billing to the homeowner while the fee or charge is billed to the homeowner. (Civil Code § 798.32(b))

C. <u>Prohibited Fees and Charges</u>

Park management may not charge homeowners for the following fees:

- A fee for other than rent, utilities, and incidental reasonable charges for services actually rendered. (Civil Code § 798.31)
- A fee for obtaining a lease on a mobilehome lot for one term of twelve months, or a lesser period as the homeowner may request. A fee may be charged for a lease of more than one year if the homeowner and management mutually agree upon the fee. (Civil Code § 798.31)
- A fee for services actually rendered that are not listed in the rental agreement unless the homeowner has been given written notice of the fee by the management, at least sixty days before imposition of the charge. (Civil Code § 798.32(a))
- A fee for keeping a pet in the park unless management actually provides special facilities or services for pets. If management

maintains special pet facilities, the fee charged must reasonably relate to the cost of maintenance of the facilities or services and the number of pets kept in the park. (Civil Code § 798.33(b))

- A fee for a guest who does not stay for more than a total of twenty consecutive days or a total of thirty days in a calendar year. A person who is a guest may not be required to register with management. (Civil Code § 798.34(a))
- A fee based on the number of members in a homeowners' immediate family. 14 (Civil Code § 798.35)
- A fee for the enforcement of any park rules and regulations. (Civil Code § 798.36(a))
- A fee for entry, installation, hookup, or landscaping as a condition of tenancy except for an actual fee or cost imposed by a City ordinance or requirement directly related to the occupancy of the specific site upon which the mobilehome is located and not incurred as a portion of the development of the mobilehome park as a whole. However, reasonable landscaping and maintenance requirements may be included in the park rules and regulations. Park management may not require a homeowner or prospective homeowner purchase, rent, or lease goods or services for landscaping, remodeling, or maintenance from any person, company, or corporation. (Civil Code § 798.37)
- A fee for nonessential services, such as cable television, that the residents do not want or use. (<u>Greening v. Johnson</u> (1997) 53 Cal.App.4th 1223, 1230)

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The term "immediate family" means the homeowner, his or her spouse, their parents, their children, and their grandchildren under 18 years of age. (Civil Code § 798.35)

Removal and Disposal of Personal Property

A. Good Faith Determination of Necessity

If management makes a good faith determination that removal of a homeowner's or resident's personal property from the land upon which the mobilehome is situated is necessary to bring the premises into compliance with park rules and regulations or the MRL, management may remove the property to a reasonably secure storage facility. (Civil Code § 798.36(b)(1))

B. Prior Written Notice Required

At least fourteen days prior to removal, management must provide the homeowner with written notice of its intent to remove the personal property, including a description of the property to be removed. The notice must include the rule, regulation, or code justifying the removal and must provide an estimate of the charges to be imposed by management. (Civil Code § 798.36(b)(1))

C. Reimbursement of Actual Costs

The homeowner or resident is responsible for reimbursing management its actual, reasonable costs of removing and storing the property. (Civil Code § 798.36(b)(2))

D. Final Notice; Inventory; Abandonment

Within seven days from the date the property is removed to a storage area, management must provide the homeowner or resident a written notice that includes an inventory of the property removed, the location where the property may be claimed, and notice that the cost of removal and storage must be paid by the resident or homeowner. (Civil Code § 798.36(b)(3))

If, within sixty days, the homeowner or resident does not claim the property, the property is deemed abandoned, and management may dispose of the property in any manner. The homeowner's or resident's

liability for storage charges may not exceed sixty days. (Civil Code § 798.36(b)(3))

If a resident or homeowner communicates in writing his or her intent to abandon the property before the expiration of the sixty days, management may dispose of the property immediately and no further storage charges will accrue. (Civil Code § 798.36(b)(3))

If the homeowner or resident claims the property but fails to reimburse management for storage costs, management may bill those costs in a monthly statement, and those costs become the obligation of the homeowner or resident. (Civil Code § 798.36(b)(3))

E. Disposal by Sale or Auction

If management elects to dispose of the property by way of sale or auction, and the funds received from the sale or auction exceed the amount owed to management, management must refund the difference to the homeowner or resident within fifteen days from the date management receives the funds from the sale or auction. The refund must be either delivered to the homeowner or resident by first-class mail or by personal delivery, and must include an accounting specifying the costs of removal and storage of the property incurred by management in correcting the rules violation and the amount of proceeds realized from any sale or auction. (Civil Code § 798.36(b)(4))

If a sale or auction of the property yields less than the costs incurred by management, the homeowner or resident remains responsible for the difference. (Civil Code § 798.36(b)(4))

F. Other Park Management Remedies

If management elects to remove and store personal property in order to bring the premises into compliance with park rules and regulations or the MRL, it may not also terminate the tenancy based upon those specific violations. (Civil Code § 798.36(b)(4))

Utilities

A. <u>Utilities Defined</u>

Utility services are natural gas or liquid propane gas, electricity, water, cable television, garbage or refuse service, and sewer service.

B. Billing and Rate Schedule

If the management provides both master-meter and submeter service of utilities to park residents, the cost of the charges for each billing period must be stated separately along with the opening and closing meter readings. Management must post the prevailing residential utilities rate schedule in a conspicuous place. (Civil Code § 798.38(a))

If a third-party billing agent or company prepares utility billing for the park, the management must disclose on each resident's billing, the name, address, and telephone number of the billing agent or company. (Civil Code § 798.38(b))

C. <u>Separately Billed Utilities; Rent Reduction</u>

Park management may elect to bill a homeowner separately for utility service fees and charges assessed by the utility for services provided to or for spaces in the park. Any separately billed utility fees and charges are not included as rent for that space. However, at the initial separate billing of the utility fees and charges, the rent chargeable under the rental agreement or the base rent chargeable under the terms of any applicable rent control ordinance must be reduced by an amount equal to the separately billed utility fees and charges. The amount of this reduction is equal to the average amount charged to park management for that utility service for that space during the twelve months immediately preceding notice of the commencement of the separate billing for that utility service. (Civil Code § 798.41(a))

The utility fees and charges must be stated on any monthly or other periodic billing to the homeowner. If the fee or charge has a limited duration or is amortized for a specific period, the expiration date must be stated on any bill upon which the fee or charge is collected. (Civil Code § 798.41(a)(d))

D. <u>Disclosure of Utility Usage for Common Areas</u>

If management is aware that a gas, water, or electric meter on a mobilehome site measures gas, water, or electric service provided for common area facilities or equipment, management must disclose that condition to any homeowner who is responsible for payment of that service. (Civil Code § 798.43(a))

If management is aware that a gas, water, or electric meter on a mobilehome site measures electric service provided for illumination of common area buildings that contain toilets and showers, and park roadways and walkways, 15 and this illumination also lights the mobilehome site, management must disclose that condition to any homeowner who is responsible for payment of that service. (Civil Code § 798.43(b))

Management must disclose this information prior to the inception of the tenancy or upon discovery and must complete either of the following:

- Enter into a mutual written agreement with the homeowner for compensation by management for the cost of the portion of the service measured by the homeowner's meter for the common area facilities or equipment; or
- Discontinue using the meter on the homeowner's site for the utility service to the common area facilities and equipment. (Civil Code § 798.43(a))

E. Notice and Implementation of the CARE Program

On or before February 1 of each year, management of a master-meter park must give written notice to homeowners and residents in their utility billing statements about assistance to low-income persons for utility costs available under the California Alternate Rates for Energy

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¹⁵ Lighting required by Health & Safety Code § 18602.

(CARE) program. 16 (Civil Code § 798.43.1(a))

The notice shall include CARE information available to master-meter customers from their serving utility, and must include the following information:

- The fact that CARE offers a discount on monthly gas or electric bills for qualifying low-income residents; and
- The telephone number of the serving utility which provides CARE information and applications. (Civil Code § 798.43.1(a))

The park must also post the notice in a conspicuous place in the clubhouse, or if there is no clubhouse, in a conspicuous public place in the park. (Civil Code § 798.43.1(a))

Management of a master-meter park may accept and help process homeowner and resident CARE program applications by completing the necessary account or other park information required by the serving utility to process the applications, and sending the applications to the serving utility. (Civil Code § 798.43.1(b))

Management must provide to the utility any park information, including a utility account number, the serving utility requires to process an application submitted by a homeowner or resident on his or her own behalf. (Civil Code § 798.43.1(b))

Management of a master-meter park must pass through the full amount of the CARE program discount in monthly utility billings to homeowners and residents who qualify for the CARE rate schedule. Management must provide notice of the discount on the billing statement as either the itemized amount of the discount or a notation on the statement that the homeowner or resident is receiving the CARE discount. (Civil Code § 798.43.1(c))

Homeowners and residents who receive gas or electric service through a submeter may not be denied eligibility for CARE on the basis that some units in the mobilehome park do not receive service

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¹⁶ <u>See</u> Public Utilities Code § 739.1 for information regarding the CARE program.

through a submetered system. (Public Utilities Code § 739.5(h)) [2009 NEW LAW]

F. Notice of Non-emergency Service Interruption

Management must provide at least seventy-two hours' advance written notice of a non-emergency interruption in utility service of more than two hours for maintenance, repair, or replacement of utility system facilities over which park management has control. (Civil Code § 798.29.5)

Maintenance of Improvements

Management is responsible for providing and maintaining the physical improvements in the common facilities in good working order and condition, and for making any necessary repairs within a reasonable time. (Civil Code §798.15(d))

Maintenance of Trees and Driveways

A. Limitations

This section only applies to rental agreements entered into, renewed, or extended on or after January 1, 2001 and to current park rules and regulations. (Civil Code § 798.37.5(e)(f))

B. <u>Maintenance of Trees Located on Rental Spaces</u>

Management is responsible for the trimming, pruning, or removal of any tree located on rental spaces in the park, and the costs thereof, upon written notice by a homeowner or a determination by management that the tree poses a specific hazard or health and safety violation. In the case of a dispute over that assertion, management or a homeowner may request an inspection by the City in order to determine whether a violation exists. (Civil Code § 798.37.5(a))

C. <u>Maintenance of Trees Located in the Common Areas</u>

Management is responsible for trimming, pruning, and removal of trees located in the common areas of a park, and the costs thereof. (Civil Code § 798.37.5(b))

D. Written Permission to Plant a Tree

No homeowner may plant a tree within the park without first obtaining written permission from management. (Civil Code § 798.37.5(d))

E. Maintenance of Driveways by Management

Management is responsible for the maintenance, repair, replacement, paving, sealing, and the expenses related to the maintenance of all driveways installed by park management including, but not limited to, repair of root damage to driveways and foundation systems and removal. (Civil Code § 798.37.5(c))

F. Maintenance of Driveways by Homeowners

Homeowners are responsible for the maintenance, repair, replacement, paving, sealing, and the expenses related to the maintenance of a homeowner-installed driveway. A homeowner may be charged for the cost of any damage to the driveway caused by an act of the homeowner or a breach of the homeowner's responsibilities under the rules and regulations so long as those rules and regulations are not inconsistent with the provisions of the MRL. (Civil Code § 798.37.5(c))

Access to Common Facilities

Each common area facility must be open or available to residents at all reasonable hours and the facility's hours must be posted at the facility. (Civil Code §798.24.)

Discrimination Prohibited

Membership in any private club or organization that is a condition for tenancy in a park must not be denied on the basis of race, color, religion, sex, sexual orientation, source of income, disability, national origin, ancestry, or marital status. (Civil Code § 798.20)

Additionally, mobilehome parks are business establishments that are subject to the Unruh Act, which prohibits discrimination based on sex, race, religion, ancestry, national origin or disability. (Civil Code § 51)

Homeowner or Resident Use of Facilities for Meetings

A. <u>Cleaning Deposits</u>

If a homeowner or resident of the park is hosting a meeting of a homeowners or residents organization at the park recreation hall or clubhouse and all the homeowners or residents of the park are allowed to attend, management may not charge a cleaning deposit for use of the hall or clubhouse, whether or not guests or visitors from outside the park are invited to attend (Civil Code § 798.51(b))

B. <u>Liability Insurance</u>

Management may not require a homeowner or resident to obtain liability insurance in order to use common area facilities for meetings. However, if alcoholic beverages are served, management may require a liability insurance binder. Management may prohibit the consumption of alcoholic beverages in the park common area facilities if the terms of the rental agreement or the rules and regulations of the park prohibit it. (Civil Code § 798.51(c))

C. Parking and Maximum Occupancy

A homeowner, organization, or group of homeowners using a recreation hall or clubhouse must adhere to any limitations or

restrictions regarding vehicle parking or maximum occupancy for the clubhouse or recreation hall. (Civil Code § 798.51(d))

Permissible Homeowner or Resident Activities

A. Right to Display Political Signs

Homeowners have the right to display political campaign signs within ninety days prior to an election and fifteen days after, as long as the size of the sign does not exceed six square feet. (Civil Code § 798.51(e))

B. Right to Assemble

No rental agreement or park rule or regulation shall prohibit the right of any homeowner or resident in the park to do any of the following:

- Peacefully assemble in the park, at reasonable hours and in a reasonable manner, for any lawful purpose. Meetings may be held in the park community or recreation hall or clubhouse when the facility is not otherwise in use, and, with the consent of the homeowner, in any mobilehome within the park. (Civil Code § 798.51(a)(1))
- Invite public officials, candidates for public office, or representatives of homeowner organizations to meet with homeowners and residents and speak upon matters of public interest. (Civil Code § 798.51(a)(2))
- Canvass and petition homeowners and residents for noncommercial purposes relating to mobilehome living, election to public office, or the initiative, referendum, or recall processes, at reasonable hours and in a reasonable manner, including the distribution or circulation of information. (Civil Code § 798.51(a)(3))

C. <u>Enforcement Authority</u>

A homeowner or resident who is prevented from exercising any of the foregoing rights may file a court action to prevent the enforcement of any rule, regulation or other policy that unreasonably deprives the

homeowner or resident of any of those rights.

Request for Meeting with Management

Within thirty days of receipt of a written request signed by an individual homeowner or group of homeowners, management must meet and consult with the individual or group regarding the following matters:

- Amendments to park rules and regulations;
- Standards or maintenance of physical improvements in the park;
- The offer of rental agreements that are exempt from the rent control ordinance; and
- Addition, alteration, or deletion of service, equipment, or physical improvements. (Civil Code § 798.53)

Prior to holding the meeting, management must give a least ten days' notice of the date, time and location of the meeting to all homeowners who requested the meeting. (Civil Code § 798.53)

Renting or Subletting

A. Owner Entitled to Rent or Sublease Mobilehome

Management must permit a homeowner to rent his or her home that serves as the owner's primary residence or sublet his or her space, under certain circumstances and subject to the requirements of this section. (Civil Code § 798.23.5(a)(1))

A homeowner must be permitted to rent or sublet if a medical emergency or medical treatment requires the owner to be absent from his or her home and this is confirmed in writing by an attending physician. (Civil Code § 798.23.5(a)(2))

B. Restrictions and Requirements

The following provisions apply to the rental or sublease of a mobilehome:

- Six months is the minimum term of the rental or sublease, unless the management approves a shorter term; Twelve months is the maximum term, unless management approves a longer term. (Civil Code § 798.23.5(b)(1))
- Management may require approval of a prospective renter or sublessee, subject to the same process and restrictions as are provided for prospective purchasers of mobilehomes. (Civil Code § 798.23.5(b)(2))
- A prospective sublessee shall comply with any rule or regulation limiting residency based on age requirements. (Civil Code § 798.23.5(b)(2))
- The renter or sublessee shall comply with all rules and regulations of the park. The failure of a renter or sublessee to comply with the rules and regulations of the park may result in the termination of the homeowner's tenancy in the mobilehome park. A homeowner's tenancy may not be terminated if the owner completes an action for unlawful detainer or executes a judgment for possession within sixty days of the homeowner receiving notice of termination of tenancy. (Civil Code § 798.23.5(b)(3))
- The management may require the homeowner to reside in the mobilehome park for a term of one year before management permits the renting or subletting of a mobilehome or mobilehome space. (Civil Code § 798.23.5(b)(5))
- If a security deposit has been refunded to the homeowner, the management may require the homeowner to resubmit a security deposit in an amount or value not to exceed two months' rent in addition to the first month's rent. Management may retain this security deposit for the duration of the term of the rental or sublease. (Civil Code § 798.23.5(b)(6))

- The homeowner must keep his or her current address and telephone number on file with management during the term of rental or sublease. If applicable, the homeowner may provide the name, address, and telephone number of his or her legal representative. (Civil Code § 798.23.5(b)(7))
- A homeowner may not charge a renter or sublessee more than an amount necessary to cover the cost of space rent, utilities, and scheduled loan payments on the mobilehome, if any. (Civil Code § 798.23.5(c))

C. Owner to Remain Liable for Rent and Other Charges

• The homeowner remains liable for the mobilehome park rent and other park charges. (Civil Code § 798.23.5(b)(4))

D. <u>Credit Screening Fee</u>

The management may charge a prospective sublessee a credit screening fee for the actual cost of any personal reference check or consumer credit report that is provided by a consumer credit reporting agency if the management or his or her agent requires that personal reference check or consumer credit report. (Civil Code § 798.23.5(b)(2))

Termination of Tenancies Under the MRL

A. Special Protection from Actual or Constructive Eviction

In drafting the MRL, legislatures recognized the special problems, costs and potential for damage inherent in relocating mobilehomes; for that reason, the MRL provides homeowners and residents with unique protection from actual or constructive eviction. (Civil Code § 798.55(a))

B. <u>No Special Protection for Tenants of Nonresident Owners</u>

A tenant of a nonresident owner of a mobilehome is not treated

differently than a tenant in a normal residential tenant eviction, and is therefore not entitled to the protections of the MRL.

C. Permissible Grounds for Termination

The MRL permits the termination of a homeowner's tenancy only for the following specified reasons:

- If a homeowner or resident fails to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after receipt of the notice of noncompliance from the appropriate enforcement agency. (Civil Code § 798.56(a))
- If a homeowner's or resident's conduct constitutes a serious annoyance to other homeowners or residents. (Civil Code § 798.56(b))
- If a homeowner or resident is convicted of a felony controlled substance offense based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If a homeowner or resident is convicted of battery against a person resulting in serious bodily injury¹⁷ based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If a homeowner or resident is convicted of assault upon a person with a firearm¹⁸ based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If a homeowner or resident is convicted of assault upon a person with a semiautomatic firearm¹⁹ based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))

¹⁷ Penal Code § 243(d).

¹⁸ Penal Code § 245(a)(2).

¹⁹ Penal Code § 245(b).

- If a homeowner or resident is convicted of lewd or lascivious acts upon or with a child²⁰ based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If a homeowner or resident is convicted of arson²¹ based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If a homeowner or resident is convicted of prostitution based on activities conducted within the park and the convicted person has not permanently vacated the mobilehome. (Civil Code § 798.56(c)(1))
- If the park is condemned by a governmental agency. (Civil Code § 798.56(f))

D. <u>Sixty-Day Notice; Notice Contents</u>

Prior to eviction based on any of the grounds described above, management must provide the homeowner with a sixty-day notice to either sell or remove the mobilehome. (Civil Code § 798.55(b)(1))

The notice must specify the date in which the homeowner must sell or remove the mobilehome (which must be at least sixty days from the date of the notice). (Civil Code § 798.55(b)(1)) The notice must also set forth the reason relied upon for the termination with specific facts to permit determination of the date, place, witnesses, and circumstances concerning that reason. Simply referring to the applicable law is not sufficient to meet this requirement. (Civil Code § 798.57)

E. <u>Service of Notice Upon Homeowner</u>

The sixty-day notice must be served upon the homeowner using one of the following methods²²:

²¹ Penal Code § 451.

²⁰ Penal Code § 288.

²² Code of Civil Procedure § 1162.

- Delivered personally to the homeowner at his or her residence or usual place of business;
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address; or
- If a person of suitable age or discretion cannot located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property.

F. Homeowner Responsibilities

If the homeowner elects to sell the mobilehome, he or she must pay past due rent and utilities upon that sale. (Civil Code § 798.55(b)(2))

Any resident of a mobilehome that remains in the park after service of the sixty-day notice remains subject to the provisions of the MRL and the park rules and regulations. (Civil Code § 798.55(e))

G. <u>Service Upon Legal and Registered Owners and Lienholders</u>

Within ten days of serving the sixty-day notice upon the homeowner, management must also mail a copy of the sixty-day notice to the legal owner, each lienholder and the registered owner of the mobilehome (if different from the homeowner). (Civil Code § 798.55(b)(1)). Management can opt to mail the notice by regular mail or by certified mail, return receipt requested. (Civil Code § 798.55(b))

H. <u>Legal Owner and Lienholder Responsibilities</u>

Within sixty days after receipt of, or no later than sixty-five days after the mailing of the notice of termination, the legal owner and each lienholder must notify management in writing, by mail, certified or registered mail with return receipt requested (Civil Code § 798.56a(f)), of at least one of the following:

- Its offer to sell the obligation secured by the mobilehome to management for the amount specified in its written offer. (Civil Code § 798.56a(a)(1))
- Its intention to foreclose on its security interest in the mobilehome. (Civil Code § 798.56a(a)(2))
- Its request that management pursue termination of tenancy against the homeowner and its offer to reimburse management for the reasonable attorney's fees and court costs incurred by management in that action. (Civil Code § 798.56a(a)(3))
- Its intention to sell the mobilehome to a third party and keep the mobilehome on the site. (Civil Code § 798.56(b))

I. <u>Management Response to Offer to Sell Obligation</u>

If the legal owner or lienholder offers to sell the obligation to management, management has fifteen days following receipt of the offer to accept or reject the offer in writing, by certified or registered mail with return receipt requested. If the offer is rejected, the person or entity that made the offer has ten days in which to exercise one of the other options indicated above and must notify management in writing of its choice, by certified or registered mail with return receipt requested. (Civil Code § 798.56a(a)(1)(f))

J. Owner and Lienholders Obligations

If the legal owner or lienholder elects to request that management pursue termination of tenancy against the homeowner, either within sixty days following receipt of written notice from management of the aggregate amount of its reasonable attorney's fees and costs incurred in an action to terminate the homeowner's tenancy or the date the mobilehome is resold, whichever occurs first, the legal owner and lienholder must reimburse management the agreed upon amount of those attorney's fees and costs. (Civil Code § 798.56a(a)(3))

K. <u>Exercising Option to Sell Mobilehome to Third Party</u>

The legal owner or lienholder may only elect to sell the mobilehome to a third party and keep the mobilehome on the site until it is resold if all of the following requirements are met:

- The legal owner or lienholder commences all repairs and necessary corrective actions so that the mobilehome complies with the park rules and regulations in existence at the time the notice of termination was given as well as the health and safety standards of the Act. The repairs must be commenced within sixty days following receipt of, or no later than sixty-five days after the mailing of, the notice of termination of tenancy, and must be completed within ninety days of that notice, or before the date the mobilehome is sold, whichever is earlier. (Civil Code § 798.56a(b)(2))
- The legal owner or lienholder complies with the requirements for the transfer of the mobilehome to a third party, which are set forth in the section below titled "Foreclosure and Sale". (Civil Code § 798.56a(b)(3))
- The legal owner or lienholder satisfies all of the responsibilities and liabilities of the homeowner owing to the management^{23 24} for the ninety days preceding the mailing of the notice of termination of tenancy and then continues to satisfy those responsibilities and liabilities as they accrue from the date of the mailing of that notice until the date the mobilehome is resold. (Civil Code § 798.56a(b)(1))

L. <u>Failure to Elect Option; Removal and/or Storage of Mobilehome</u>

If neither the legal owner nor a lienholder timely notifies management of its election, management may opt to remove the mobilehome from the premises and place it in storage or store it on its site under the following circumstances:

Satisfaction of the homeowner's accrued or accruing responsibilities and liabilities does not cure the homeowner's default. (Civil Code § 798.56a(g))

The "homeowner's responsibilities and liabilities" means all rents, utilities, reasonable maintenance charges of the mobilehome and its premises, and reasonable maintenance of the mobilehome and its premises pursuant to existing park rules and regulations. (Civil Code § 798.56a(c))

24 Satisfaction of the homeowner's accrued or contribute to the contribute of the homeowner's accrued or contribute to the contribute of the homeowner's accrued or contribute to the contribute of the homeowner's accrued or contribute to the contribute of the homeowner's accrued or contribute to the contribute of the homeowner's accrued or contribute to the contribute of the contribute of the contribute to the contribute of the

- The legal owner or lienholder fails to timely notify management of its election of one of the options detailed above.
- The legal owner or lienholder fails to perform as agreed within thirty days.
- The registered owner of a mobilehome that is not encumbered by a lien held by a legal owner or a lienholder fails to comply with the sixty-day notice and is either legally evicted or vacates the premises. (Civil Code § 798.56a(e))

M. Warehouseman's Lien

If management opts to remove and store the mobilehome, it has a warehouseman's lien²⁵ against the mobilehome for the costs of dismantling and moving, if appropriate, as well as storage of the mobilehome. The warehouse lien is superior to all other liens, except a lien in favor of the state for nonpayment of fees and penalties.²⁶ (Civil Code § 798.56a(e))

Management may enforce the warehouse lien after the date of judgment in an unlawful detainer action or after the date the resident vacates the mobilehome, whichever occurs first.²⁷ (Civil Code § 798.56a(e))

N. Sale to Enforce Warehouseman's Lien

Upon the sale of a mobilehome to enforce the warehouseman's lien, and upon proper request by the purchaser of the mobilehome, management must provide the purchaser with evidence of the sale, in the form specified by HCD. The evidence must register title to the mobilehome to the purchaser, whether or not there was a legal owner or lienholder on the title to the mobilehome. (Civil Code § 798.56a(e))

²⁵ See Commercial Code § 7209.

²⁶ See Health and Safety Code § 18116.1

²⁷ See Commercial Code § 7210.

O. Request for Consent to Remove Mobilehome

Management may not remove or cause to be removed the mobilehome from the property indicated on the mobilehome's registration card, without first obtaining the written consent of the legal owner and any lienholders using a form approved by HCD for that purpose. (Health & Safety Code § 18099.5(a))

If there is no legal owner and no lienholder, the registered owner must complete the written consent form. The original copy of each written consent form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(a))

If management mailed the request for written consent by certified mail, return receipt requested, and within 30 days of mailing the request receives no response to the request, management must notify HCD of the lack of response using a form approved by HCD for that purpose. A copy of that form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(b))

P. <u>Legal Affect of Bankruptcy Filing</u>

If the homeowner files for bankruptcy, the periods set forth in this section are tolled until the mobilehome is released from bankruptcy. (Civil Code § 798.56a(d))

Q. Other Permissible Grounds for Termination

Other grounds for termination include violation of a park or regulation (Civil Code § 798.56(d)), change in use of the park (Civil Code § 798.56(g)), nonpayment of rent (Civil Code § 798.56(e)), and abandonment of the mobilehome (Civil Code § 798.61). These grounds entail additional noticing requirements as discussed in the immediately following sections.

Eviction for Violation of a Park Rule and Regulation

A. Grounds; Notice Requirement

Management may terminate the tenancy of a homeowner if a homeowner or a resident of that home fails to comply with a reasonable park rule or regulation that is part of the homeowner's rental agreement or any amendment to that agreement and if:

- The homeowner received written notice of the violation of the rule or regulation; and
- The homeowner or resident fails to adhere to the notice of violation within seven days of the notice. (Civil Code § 798.56(d))

B. Waiver of Notice Requirement

If the offending homeowner or resident has been given a written notice of violation of the same rule or regulation on three or more occasions within a twelve-month period, management is not required to provide additional written notice for a subsequent violation of that same rule or regulation. (Civil Code § 798.56(d))

C. <u>Sixty-Day Notice; Notice Contents</u>

In addition to the notice of the violation, management must also serve the homeowner, legal and registered owners and lienholders with a sixty-day notice to either sell or remove the mobilehome. (Civil Code § 798.55(b)(1))

The notice must specify the date in which the homeowner must sell or remove the mobilehome (which must be at least sixty days from the date of the notice). (Civil Code § 798.55(b)(1)) The notice must also set forth the reason relied upon for the termination with specific facts to permit determination of the date, place, witnesses, and circumstances concerning that reason. Simply referring to the applicable law is not sufficient to meet this requirement. (Civil Code § 798.57)

D. <u>Service of Notice Upon Homeowner</u>

The sixty-day notice must be served upon the homeowner using one of the following methods²⁸:

- Delivered personally to the homeowner at his or her residence or usual place of business;
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address; or
- If a person of suitable age or discretion cannot located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property.

E. <u>Homeowner Responsibilities</u>

If the homeowner elects to sell the mobilehome, he or she must pay past due rent and utilities upon that sale. (Civil Code § 798.55(b)(2))

Any resident of a mobilehome that remains in the park after service of the sixty-day notice remains subject to the provisions of the MRL and the park rules and regulations. (Civil Code § 798.55(e))

F. Service Upon Legal and Registered Owners and Lienholders

Within ten days of serving the sixty-day notice upon the homeowner, management must also mail a copy of the sixty-day notice to the legal owner, each lienholder and the registered owner of the mobilehome (if different from the homeowner). (Civil Code § 798.55(b)(1)). Management can opt to mail the notice by regular mail or by certified mail, return receipt requested. (Civil Code § 798.55(b))

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²⁸ Code of Civil Procedure § 1162.

G. <u>Legal Owner and Lienholder Responsibilities</u>

Within sixty days after receipt of, or no later than sixty-five days after the mailing of the notice of termination, the legal owner and each lienholder must notify management in writing, by mail, certified or registered mail with return receipt requested (Civil Code § 798.56a(f)), of at least one of the following:

- Its offer to sell the obligation secured by the mobilehome to management for the amount specified in its written offer. (Civil Code § 798.56a(a)(1))
- Its intention to foreclose on its security interest in the mobilehome. (Civil Code § 798.56a(a)(2))
- Its request that management pursue termination of tenancy against the homeowner and its offer to reimburse management for the reasonable attorney's fees and court costs incurred by management in that action. (Civil Code § 798.56a(a)(3))
- Its intention to sell the mobilehome to a third party and keep the mobilehome on the site. (Civil Code § 798.56(b))

H. <u>Management Response to Offer to Sell Obligation</u>

If the legal owner or lienholder offers to sell the obligation to management, management has fifteen days following receipt of the offer to accept or reject the offer in writing, by certified or registered mail with return receipt requested. (Civil Code § 798.56a(f))

If the offer is rejected, the person or entity that made the offer has ten days in which to exercise one of the other options indicated above and must notify management in writing of its choice, by certified or registered mail with return receipt requested. (Civil Code § 798.56a(a)(1)(f))

I. Owner and Lienholder Obligations

If the legal owner or lienholder elect to request that management pursue termination of tenancy against the homeowner, either within sixty days following receipt of written notice from management of the aggregate amount of its reasonable attorney's fees and costs incurred in an action to terminate the homeowner's tenancy or the date the mobilehome is resold (whichever occurs first), the legal owner and lienholder(s) must reimburse management the agreed upon amount of those attorney's fees and costs. (Civil Code § 798.56a(a)(3))

J. <u>Exercising Option to Sell Mobilehome to Third Party</u>

The legal owner or lienholder(s) may only elect to sell the mobilehome to a third party and keep the mobilehome on the site until it is resold if all of the following requirements are met:

- The legal owner or lienholder commences all repairs and necessary corrective actions so that the mobilehome complies with the park rules and regulations in existence at the time the notice of termination was given as well as the health and safety standards of the Act. The repairs must be commenced within sixty days following receipt of, or no later than sixty-five days after the mailing of, the notice of termination of tenancy, and must be completed within ninety days of that notice, or before the date the mobilehome is sold, whichever is earlier. (Civil Code § 798.56a(b)(2))
- The legal owner or lienholder complies with the requirements for the transfer of the mobilehome to a third party, which are set forth in the section below titled "Foreclosure and Sale". (Civil Code § 798.56a(b)(3))
- The legal owner or lienholder satisfies all of the responsibilities and liabilities of the homeowner owing to management^{29 30} for the ninety days preceding the mailing of the notice of termination of tenancy and then continue to satisfy those responsibilities and

³⁰ Satisfaction of the homeowner's accrued or accruing responsibilities and liabilities does not cure the homeowner's default. (Civil Code § 798.56a(g))

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The "homeowner's responsibilities and liabilities" means all rents, utilities, reasonable maintenance charges of the mobilehome and its premises, and reasonable maintenance of the mobilehome and its premises pursuant to existing park rules and regulations. (Civil Code § 798.56a(c))

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liabilities as they accrue from the date of the mailing of that notice until the date the mobilehome is resold. (Civil Code § 798.56a(b)(1))

K. Failure to Elect Option; Removal and/or Storage of Mobilehome

If neither the legal owner nor a lienholder timely notifies management of its election, management may opt to remove the mobilehome from the premises and place it in storage or store it on its site under the following circumstances:

- The legal owner or lienholder fails to timely notify management of its election of one of the options detailed above.
- The legal owner or lienholder fails to perform as agreed within thirty days.
- The registered owner of a mobilehome that is not encumbered by a lien held by a legal owner or a lienholder fails to comply with the sixty-day notice and is either legally evicted or vacates the premises. (Civil Code § 798.56a(e))

L. Warehouseman's Lien

If management opts to remove and store the mobilehome, it as a warehouseman's lien³¹ against the mobilehome for the costs of dismantling and moving, if appropriate, as well as storage of the mobilehome. The warehouse lien is superior to all other liens, except a lien in favor of the state for nonpayment of fees and penalties.³² (Civil Code § 798.56a(e))

Management may enforce the warehouse lien after the date of judgment in an unlawful detainer action or after the date the resident vacates the mobilehome, whichever occurs first.³³ (Civil Code § 798.56a(e))

M. Sale to Enforce Warehouseman's Lien

³¹ See Commercial Code § 7209.

³² See Health and Safety Code § 18116.1

³³ See Commercial Code § 7210.

Upon the sale of a mobilehome to enforce the warehouseman's lien, and upon proper request by the purchaser of the mobilehome, management must provide the purchaser with evidence of the sale, in the form specified by HCD. The evidence must register title to the mobilehome to the purchaser, whether or not there was a legal owner or lienholder on the title to the mobilehome. (Civil Code § 798.56a(e))

N. Request for Consent to Remove Mobilehome

Management may not remove or cause to be removed the mobilehome from the property indicated on the mobilehome's registration card, without first obtaining the written consent of the legal owner and any lienholders using a form approved by HCD for that purpose. (Health & Safety Code § 18099.5(a))

If there is no legal owner and no lienholder, the registered owner must complete the written consent form. The original copy of each written consent form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(a))

If management mailed the request for written consent by certified mail, return receipt requested, and within 30 days of mailing the request receives no response to the request, management must notify HCD of the lack of response using a form approved by HCD for that purpose. A copy of that form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(b))

O. Legal Affect of Bankruptcy Filing

If the homeowner files for bankruptcy, the periods set forth in this section are tolled until the mobilehome is released from bankruptcy. (Civil Code § 798.56a(d))

Eviction for Nonpayment of Rent and Other Charges

A. Grounds

Management may evict a homeowner or resident for nonpayment of rent, utility charges, or reasonable, incidental service charges if the amount due has been unpaid for at least five days after its due date³⁴, and if, subsequent to that five-day period, management has given the homeowner or resident a three-day written notice to pay the amount due or to vacate the tenancy (Civil Code § 798.56(e)(1)) and the sixty-day notice to sell or remove the mobilehome. (Civil Code § 798.55(b)(1)

B. Three-Day Notice Requirement and Content

The three-day notice to pay the amount due or vacate the tenancy must contain the following provisions printed in at least twelve-point boldface type at the top of the notice, with the appropriate number written in the blank:

"Warning: This notice is the (insert number) three-day notice for nonpayment of rent, utility charges, or other reasonable incidental services that has been served upon you in the last twelve months. Pursuant to Civil Code Section 798.56(e)(5), if you have been given a three-day notice to either pay rent, utility charges, or other reasonable incidental services or to vacate your tenancy on three or more occasions within a twelve-month period, management is not required to give you a further three-day period to pay rent or vacate the tenancy before your tenancy can be terminated." (Civil Code § 798.56(e)(1))

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³⁴ The five-day period does not include the date the payment is due. (Civil Code § 798.56(e)(1))

C. <u>Service of Three-Day Notice Upon Homeowner</u>

The three-day written notice must be served upon the homeowner using one of the following methods³⁵:

- Delivered personally to the homeowner at his or her residence or usual place of business.
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address.
- If a person of suitable age or discretion cannot located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property. (Civil Code § 798.56(e)(1)

However, if a homeowner has been given a proper three-day notice on three or more occasions within the preceding twelve-month period, then no written three-day notice is required in the case of a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges. (Civil Code § 798.56 (e)(5))

D. Other Parties to Receive Copy of Three-Day Notice

Within ten days after the three-day notice is delivered to the homeowner, a copy of that notice must be mailed to the mobilehome's legal owner, registered owner, and each lienholder unless the homeowner cures the default by paying the amount due. (Civil Code § 798.56(e)(1)

If management mailed the copies of the three-day notice to the legal and registered owners and lienholders using regular mail, and the homeowner fails to pay the rent due within the three-day period,

³⁵ Code of Civil Procedure § 1162.

management must mail a second copy of the notice to the owners and lienholders by certified or registered mail, return receipt requested, using the addresses indicted on the registration card. (Civil Code § 798.55(c))

E. Payment of Amount Due

If the homeowner pays the amount due prior to the expiration of the three-day notice period, the three-day notice is rescinded. If the homeowner does not pay prior to the expiration of the three-day notice period, he or she remains liable for all payments due up until the time the tenancy is vacated. (Civil Code § 798.56 (e)(2))

No more than twice during a twelve-month period, the legal owner, any lienholder or the registered owner (if different from the homeowner) may make the payment due on behalf of the homeowner within thirty days following the mailing of the three-day notice to the legal owner, each lienholder, and the registered owner. (Civil Code § 798.56 (e)(3)(4))

F. <u>Sixty-Day Notice; Notice Contents</u>

If the homeowner fails to cure the default following the three-day notice by paying the amount due, management may serve the homeowner with a sixty-day notice to either sell or remove the mobilehome. (Civil Code § 798.55(b)(1)) Management may also elect to serve the sixty-day notice at the same time as the three-day notice. (Civil Code § 798.56(e)(1))

The sixty-day notice must specify the date in which the homeowner must sell or remove the mobilehome (which must be at least sixty days from the date of the notice). (Civil Code § 798.55(b)(1)) The notice must also set forth the reason relied upon for the termination with specific facts to permit determination of the date, place, witnesses, and circumstances concerning that reason. Simply referring to the applicable law is not sufficient to meet this requirement. (Civil Code § 798.57)

G. Service of Sixty-Day Notice Upon Homeowner

Park management must serve the sixty-day notice upon the homeowner using one of the following methods³⁶:

- Delivered personally to the homeowner at his or her residence or usual place of business.
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address.
- If a person of suitable age or discretion cannot located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property.

The sixty-day notice can be served at the same time as the three-day notice. (Civil Code § 798.56(e)(1))

H. <u>Homeowner Responsibilities</u>

If the homeowner elects to sell the mobilehome, he or she must pay past due rent and utilities upon that sale. (Civil Code § 798.55(b)(2)) Any resident of a mobilehome that remains in the park after service of the sixty-day notice remains subject to the provisions of the MRL and the park rules and regulations. (Civil Code § 798.55(e))

I. <u>Service Upon Legal and Registered Owners and Lienholders</u>

Within ten days of serving the sixty-day notice upon the homeowner, management must also mail a copy of the sixty-day notice to the legal owner, each lienholder and the registered owner of the mobilehome (if different from the homeowner). Management can opt to mail the

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³⁶ Code of Civil Procedure § 1162.

notice by regular mail or by certified mail, return receipt requested. (Civil Code § 798.55(b))

J. <u>Legal Owner and Lienholder Responsibilities</u>

Within sixty days after receipt of, or no later than sixty-five days after the mailing of the sixty-day notice, the legal owner and each lienholder must notify management in writing, by mail, certified or registered mail with return receipt requested, of at least one of the following:

- Its offer to sell the obligation secured by the mobilehome to management for the amount specified in its written offer. (Civil Code § 798.56a(a)(1))
- Its intention to foreclose on its security interest in the mobilehome. (Civil Code § 798.56a(a)(2))
- Its request that management pursue termination of tenancy against the homeowner and its offer to reimburse management for the reasonable attorney's fees and court costs incurred by management in that action. (Civil Code § 798.56a(a)(3))
- Its intention to sell the mobilehome to a third party and keep the mobilehome on the site. (Civil Code § 798.56(b))

K. Management Response to Offer to Sell Obligation

If the legal owner or lienholder offers to sell the obligation to management, management has fifteen days following receipt of the offer to accept or reject the offer in writing, by certified or registered mail with return receipt requested. If the offer is rejected, the person or entity that made the offer has ten days in which to exercise one of the other options indicated above and must notify management in writing of its choice, by certified or registered mail with return receipt requested. (Civil Code § 798.56a(a)(1))

L. Owner and Lienholder Obligations

If the legal owner or lienholder elect to request that management pursue termination of tenancy against the homeowner, either within sixty days following receipt of written notice from management of the aggregate amount of its reasonable attorney's fees and costs incurred in an action to terminate the homeowner's tenancy or the date the mobilehome is resold (whichever occurs first), the legal owner and lienholder(s) must reimburse management the agreed upon amount of those attorney's fees and costs. (Civil Code § 798.56a(a)(3))

M. Exercising Option to Sell Mobilehome to Third Party

The legal owner or lienholder(s) may only elect to sell the mobilehome to a third party and keep the mobilehome on the site until it is resold if all of the following requirements are met:

- The legal owner or lienholder commences all repairs and necessary corrective actions so that the mobilehome complies with the park rules and regulations in existence at the time the notice of termination was given as well as the health and safety standards of the Act. The repairs must be commenced within sixty days following receipt of, or no later than sixty-five days after the mailing of, the notice of termination of tenancy, and must be completed within ninety days of that notice, or before the date the mobilehome is sold, whichever is earlier. (Civil Code § 798.56a(b)(2))
- The legal owner or lienholder complies with the requirements for the transfer of the mobilehome to a third party, which are set forth in the section below titled "Foreclosure and Sale". (Civil Code § 798.56a(b)(3))
- The legal owner or lienholder satisfies all of the responsibilities and liabilities of the homeowner owing to the management^{37 38} for the

³⁸ Satisfaction of the homeowner's accrued or accruing responsibilities and liabilities does not cure the homeowner's default. (Civil Code § 798.56a(g))

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The "homeowner's responsibilities and liabilities" means all rents, utilities, reasonable maintenance charges of the mobilehome and its premises, and reasonable maintenance of the mobilehome and its premises pursuant to existing park rules and regulations. (Civil Code § 798.56a(c))

Satisfaction of the homeowner's correct or assertion of the homeowner's correct or assertion.

ninety days preceding the mailing of the notice of termination of tenancy and then continue to satisfy those responsibilities and liabilities as they accrue from the date of the mailing of that notice until the date the mobilehome is resold. (Civil Code § 798.56a(b)(1))

N. Failure to Elect Option; Removal and/or Storage of Mobilehome

If neither the legal owner nor a lienholder timely notifies management of its election, management may opt to remove the mobilehome from the premises and place it in storage or store it on its site under the following circumstances:

- The legal owner or lienholder fails to timely notify management of its election of one of the options detailed above.
- The legal owner or lienholder fails to perform as agreed within thirty days.
- The registered owner of a mobilehome that is not encumbered by a lien held by a legal owner or a lienholder fails to comply with the sixty-day notice and is either legally evicted or vacates the premises. (Civil Code § 798.56a(e))

O. <u>Warehouseman's Lien</u>

If management opts to remove and store the mobilehome, it as a warehouseman's lien³⁹ against the mobilehome for the costs of dismantling and moving, if appropriate, as well as storage of the mobilehome. The warehouse lien is superior to all other liens, except a lien in favor of the state for nonpayment of fees and penalties.⁴⁰ (Civil Code § 798.56a(e))

Management may enforce the warehouse lien after the date of judgment in an unlawful detainer action or after the date the resident vacates the mobilehome, whichever occurs first.⁴¹ (Civil Code § 798.56a(e))

³⁹ See Commercial Code § 7209.

⁴⁰ See Health and Safety Code § 18116.1

⁴¹ See Commercial Code § 7210.

P. Sale to Enforce Warehouseman's Lien

Upon the sale of a mobilehome to enforce the warehouseman's lien, and upon proper request by the purchaser of the mobilehome, management must provide the purchaser with evidence of the sale, in the form specified by HCD. The evidence must register title to the mobilehome to the purchaser, whether or not there was a legal owner or lienholder on the title to the mobilehome. (Civil Code § 798.56a(e))

Q. Request for Consent to Remove Mobilehome

Management may not remove or cause to be removed the mobilehome from the property indicated on the mobilehome's registration card without first obtaining the written consent of the legal owner and any lienholders using a form approved by HCD for that purpose. (Health & Safety Code § 18099.5(a))

If there is no legal owner and no lienholder, the registered owner must complete the written consent form. The original copy of each written consent form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(a))

If management mailed the request for written consent by certified mail, return receipt requested, and within thirty days of mailing the request receives no response to the request, management must notify HCD of the lack of response using a form approved by HCD for that purpose. A copy of that form must accompany the mobilehome to its new property in lieu of a registration card. (Health & Safety Code § 18099.5(b))

R. <u>Legal Affect of Bankruptcy Filing</u>

If the homeowner files for bankruptcy, the periods set forth in this section are tolled until the mobilehome is released from bankruptcy. (Civil Code § 798.56a(d))

Eviction Based on Change of Use

A. "Change of Use" Defined

"Change of use" means a use of the mobilehome park for a purpose other than the rental, or the holding out for rent, of two or more mobilehome sites to accommodate mobilehomes used for human habitation. A change of use may affect an entire park or any portion thereof. "Change of use" includes a change of the park or any portion of a park to a condominium, stock cooperative, planned unit development, or any form of ownership wherein spaces within the park are sold. (Civil Code § 798.10)

B. Grounds; Notice of Change of Use

Management may evict a homeowner or resident in order to change the use of the park or a portion of the park provided management follows all of the procedures set forth in this section.

- If management is required to seek change of use permits from the city, it must give homeowners at least 15 days' written notice that it will be appearing before a city board, commission, or body to request the change of use permits. (Civil Code § 798.56(g)(1))
- If management is not required to seek change of use permits from the city, then it must provide homeowners at least twelve months notice that the change of use will occur. The notice must describe in detail the nature of the change of use. (Civil Code § 798.56 (g)(2))
- Prior to the inception of tenancy, management must give prospective homeowners written notice that it is requesting a change

of use or that a change of use request has been granted. (Civil Code § 798.56(g)(3))

C. <u>Thirty-Day Notice of Change of Use</u>

Prior to the actual change of use, management must give affected homeowners and residents written notice within thirty days of the change. (Civil Code § 798.27(b))

D. <u>Notice Requirements When Permit is Required</u>

- If management is required to request change of use permits, once the city has issued all the required permits for the change of use, management must give homeowners a six-month minimum notice of termination of tenancy (Civil Code § 798.56 (g)(2)) and a sixty-day notice of termination of tenancy. (Civil Code § 798.56 $(g)(4)^{42}$)
- The notice of termination of tenancy ("termination notice") must specify the date in which the homeowner must sell or remove the mobilehome (which must be at least sixty days from the date of the notice). (Civil Code § 798.56 (g)(4)⁴³) The termination notice must also set forth the reason relied upon for the termination with specific facts to permit determination of the date, place, witnesses, and circumstances concerning the reason for the termination (i.e., details of the change of use). Simply referring to the applicable law is not sufficient to meet this requirement. (Civil Code § 798.56 (g)(4)⁴⁴)

E. Notice Requirements When No Permit is Required

• If management is not required to request change of use permits from the city, homeowners and residents are entitled to sixty days notice of a termination of tenancy resulting from a change of use. (Civil Code § 798.56 (g)(4)⁴⁵)

⁴⁵ Referring to required notice requirements set forth at Civil Code § 798.56(e)(5)).

Referring to required notice requirements set forth at Civil Code § 798.56(e)(5)). Referring to required notice requirements set forth at Civil Code § 798.56(e)(5)).

Referring to required notice contents set forth at Civil Code § 798.57.

45 Referring to required notice requirements set forth at Civil Code § 708.56(a)

F. **Service of Notice Upon Homeowner**

The notice of termination must be served upon the homeowner using one of the following methods:

- Delivered personally to the homeowner at his or her residence or usual place of business;
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address; or
- If a person of suitable age or discretion cannot located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property. (Civil Code § 798.56 (g)(4)⁴⁶)

Service Upon Legal and Registered Owners and Lienholders G.

Within ten days of serving the notice of termination upon the homeowner, management must also mail a copy of the notice to the legal owner, each lienholder and the registered owner of the mobilehome (if different from the homeowner) by certified or registered mail, return receipt requested. (Civil Code § 798.56 (g)(4)⁴⁷)

H. **Impact Report**

Prior to the conversion of a mobilehome park to another use, other than conversion to a resident ownership park, or prior to closure of a park or cessation of use of the land as a park, the person or entity proposing the change in use ("proponent") must file a report on the impact of the conversion, closure, or cessation of use upon the

⁴⁶ Referring to the required notice requirements set forth at Civil Code § 798.56(e)(5)) which rely upon the noticing procedures of Code of Civil Procedure § 1162.

47 Referring to required notice requirements set forth at Civil Code § 798.56(e)(5)).

displaced residents ("impact report"). (Gov. Code § 65863.7(a))

The impact report must address the availability of adequate replacement housing in mobilehome parks and relocation costs. (Gov. Code § 65863.7(a))

Prior to any change of use, the City Council or its delegated advisory board must review the impact report and may require, as a condition of the change, the proponent take steps to mitigate any adverse impact of the conversion on the ability of displaced residents to find adequate housing in a mobilehome park; however, the mitigation measures ordered by the City Council must not exceed the reasonable costs of relocation. (Gov. Code § 65863.7(e))

The proponent must provide a copy of the impact report to the residents of each mobilehome in the park at least fifteen days prior to the hearing on the report by the City Council or its designated advisory board. (Civil Code § 798.56(h); Gov. Code § 65863.7(b))

I. <u>Subdivision Map Approval</u>

At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, the subdivider must avoid the economic displacement of all nonpurchasing residents in the following manner:

- The subdivider must offer each existing tenant an option to either purchase his or her condominium or subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant. (Gov. Code § 66427.5(a))
- The subdivider must file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest. (Gov. Code § 66427.5(b))
- The subdivider must make a copy of the report available to each resident of the mobilehome park at least fifteen days prior to the hearing on the map by the City's Planning Commission. (Gov. Code § 66427.5(c))

- A survey of the homeowners must be conducted in accordance with an agreement between the owner and the homeowners association. The survey must be conducted by written ballot with each occupied mobilehome space permitted one entry or vote. The results of the survey must demonstrate that the conversion has the support of a majority of the residents. The results of the survey must be submitted to the City upon the filing of the tentative or parcel map and considered as part of the subdivision map hearing. (Gov. Code § 66427.5(d))
- The subdivider must be subject to a hearing by the City Council or the Planning Commission, whichever is authorized to approve, conditionally approve, or disapprove the map. The scope of the hearing must be limited to the issue of compliance with this part.
- For those residents who elect not to purchase their space and qualify as lower income households⁴⁸, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, may increase from the pre-conversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that the increase may not be greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period. (Gov. Code § 66427.5(f)(2); Health and Safety Code § 50079.5)
- For those residents who elect not to purchase their space and are not lower income households⁴⁹, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, may increase from the pre-conversion rent to market levels in equal annual increases over a four-year period. Market levels are determined by an appraisal conducted in accordance with nationally recognized professional appraisal standards. (Gov. Code § 66427.5(f)(1))

The qualifying lower income rates for Riverside and San Bernardino Counties in 2008 were: 1 person household low-income \$37,300, very low-income \$23,300; 2 person household low-income \$42,650, very low-income \$26,650; 3 person household low-income \$47,950, very low-income \$29,950.

⁴⁹ The qualifying lower income rates for Riverside and San Bernardino Counties in 2008 were: 1 person household low-income \$37,300, very low-income \$23,300; 2 person household low-income \$42,650, very low-income \$26,650; 3 person household low-income \$47,950, very low-income \$29,950.

No Termination to Make Space for Park Owner's Buyer

Management may not terminate a tenancy for the purpose of making a homeowner's site available for a person who purchased or proposes to purchase, or rents or proposes to rent, a mobilehome from the park owner or the owner's agent. (Civil Code § 798.58)

Management Acquisition of Liens and Security Interests

Management is prohibited from acquiring a lien or security interest in a mobilehome unless it is mutually agreed upon by both the homeowner and management, except for an interest arising from a lawful court judgment. Any billing and payment upon the obligation must be kept separate from current rent. (Civil Code § 798.40)

Foreclosure and Sale

A. Right to Foreclose and Sell

An owner or lienholder who forecloses on his or her security interest in a mobilehome located in a park has the legal right to sell the mobilehome to a third party, if all of the homeowner's responsibilities and liabilities to the management regarding rent, utilities, and reasonable maintenance of a mobilehome and its premises are satisfied by the foreclosing creditor as they accrue through the date the mobilehome is resold. (Civil Code § 798.79(a))

B. <u>Foreclosure Following Notice of Termination</u>

If the owner or lienholder has received a copy of the notice of termination of tenancy for nonpayment of rent or other charges, within sixty days of receipt of the notice, or no later than sixty-five days after the mailing of the notice, the owner or lienholder must notify management in writing of its intention to foreclose on its security interest. (Civil Code §§ 798.79(b) and 798.56a(a)(2))

The owner or lienholder may sell the mobilehome to a third party and

keep the mobilehome on the site until it is resold only if all of the following requirements are met:

- The owner or lienholder commences all repairs and necessary corrective actions so that the mobilehome complies with the park rules and regulations in existence at the time the notice of termination was given as well as the health and safety standards of the Act. The repairs must be commenced within sixty days following receipt of, or no later than sixty-five days after the mailing of, the notice of termination of tenancy, and must be completed within ninety days of that notice, or before the date the mobilehome is sold, whichever is earlier. (Civil Code §§ 798.79(b) and 798.56a(b)(2))
- The legal owner or lienholder satisfies all of the responsibilities and liabilities of the homeowner owing to the management⁵⁰ ⁵¹ for the ninety days preceding the mailing of the notice of termination of tenancy and then continues to satisfy those responsibilities and liabilities as they accrue from the date of the mailing of that notice until the date the mobilehome is resold. (Civil Code § 798.79(b) and 798.56a(b)(1))

Management's Election to Terminate or Refuse to Renew Tenancy

A. <u>Election to Terminate or Refuse to Renew Tenancy</u>

Management may terminate or refuse to renew a tenancy based upon permissible grounds by giving the homeowner written notice of its intent to sell or remove the mobilehome ("notice of termination" or notice of nonrenewal") within a period of not less than sixty days. (Civil Code § 798.55(b)(1))

Satisfaction of the homeowner's accrued or accruing responsibilities and liabilities does not cure the homeowner's default. (Civil Code § 798.56a(g))

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The "homeowner's responsibilities and liabilities" means all rents, utilities, reasonable maintenance charges of the mobilehome and its premises, and reasonable maintenance of the mobilehome and its premises pursuant to existing park rules and regulations. (Civil Code § 798.56a(c))

B. Service of the Notice upon Homeowner

The notice of termination or notice of nonrenewal must be served upon the homeowner using one of the following methods⁵²:

- Delivered personally to the homeowner at his or her residence or usual place of business.
- If the homeowner is absent from his or her place of residence, and from his or her usual place of business, by leaving a copy of the notice with some person of suitable age and discretion at either place, and sending a copy through the mail addressed to the homeowner at the property address.
- If a person of suitable age or discretion can not located at the residence or place of business, then by affixing a copy of the notice in a conspicuous place on the property, and delivering a copy to any person who can be found residing upon the property, and also sending a copy through the mail addressed to the homeowner at the property. (Civil Code § 798.55(b)(1))

C. Notice Contents

The notice must specify the date in which it intends to sell or remove the mobilehome (which must be at least sixty days from the date of the notice). (Civil Code § 798.55(b)(1))

The notice must set forth the reason relied upon for the termination with specific facts to permit determination of the date, place, witnesses, and circumstances concerning that reason. Simply referring to the applicable law is not sufficient to meet this requirement. (Civil Code § 798.57)

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⁵² Code of Civil Procedure § 1162.

Homeowner's Election to Terminate Tenancy

A. <u>Sixty-Day Notice</u>

A homeowner must give written notice to management of not less than sixty days before vacating his or her tenancy. (Civil Code § 798.59)

B. Request for Summary of Necessary Repairs or Improvements

The homeowner should request management provide the homeowner with a written summary of repairs or improvements that management requires to the mobilehome, its appurtenances, or an accessory structure. Management must provide the summary no later than ten business days following the receipt of the request. (Civil Code § 798.73.5(b))

Abandonment of Mobilehome

A. "Abandoned Mobilehome" Defined

An "abandoned mobilehome" is an unoccupied mobilehome that is located in a mobilehome park on a site for which no rent has been paid to the management for the preceding sixty days and which a reasonable person would believe to be abandoned.⁵³ (Civil Code § 798.61(a)(1))

B. <u>Notice Requirements</u>

If park management determines that a mobilehome has been abandoned, management must post a notice of belief of abandonment on the mobilehome for at least thirty days. Management must also mail copies of the notice to the homeowner at the last known address and to any known registered owner, if different from the homeowner, and to any known holder of a security interest in the abandoned

⁵³ "Abandoned mobilehome" also includes a mobilehome which is uninhabitable because of its total or partial destruction which cannot be rehabilitated, if the mobilehome also satisfies the other requirements for the definition of an abandoned mobilehome. (Civil Code § 798.61(a)(2)(B))

mobilehome. The notice must be mailed by registered or certified mail with a return receipt requested, postage prepaid. (Civil Code § 798.61(b))

C. <u>Judicial Declaration of Abandonment</u>

After the thirty-day posting period, management may file a petition in municipal court for a judicial declaration of abandonment of the mobilehome. Copies of the petition must be mailed to the homeowner, any known registered owner, and any known person having a lien or security interest of record in the mobilehome at their last known addresses by registered mail with a return receipt requested, postage prepaid. A copy of the petition must also be posted on the mobilehome. (Civil Code § 798.61(c)) The court will give the petition precedence over other matters on the court's calendar. (Civil Code § 798.61(d)(1))

At the hearing, if management shows by a preponderance of the evidence that the criteria for an abandoned mobilehome has been satisfied, and no one establishes an interest in the mobilehome evidenced by a right of possession or a security or ownership interest, the court must enter a judgment of abandonment, determine the amount of charges to which park management is entitled, including its attorney's fees and costs. (Civil Code § 798.61(d)(2))

If no responsive pleading is filed within fifteen days after service of the petition by mail, the court clerk may enter a default upon request of park management and a default judgment will be entered. (Civil Code § 798.61(d)(3))

D. <u>Inventory</u>

Within ten days following a judgment of abandonment, management must enter the abandoned mobilehome and complete an inventory of the contents and submit the inventory to the court. (Civil Code § 798.61(e)(1))

E. <u>Posting and Service of Notice of Intent to Sell</u>

Management must post and mail a notice of intent to sell the abandoned mobilehome and its contents ("notice of sale"). The notice of sale must announce the date of sale and must be mailed to the homeowner at the last known address and to any known registered owner, if different from the homeowner, and to any known holder of a security interest in the abandoned mobilehome. The notice must be mailed by registered or certified mail with a return receipt requested, postage prepaid. (Civil Code § 798.61(e)(2))

F. Right to Recover and Remove Mobilehome

At any time prior to sale of a mobilehome under this section, any person having a right to possession of the mobilehome may recover and remove it from the premises upon payment to the management of all rent or other charges due, including reasonable costs of storage and other costs awarded by the court. (Civil Code § 798.61(e)(3))

G. Public Sale

Following the judgment of abandonment, but not less than ten days following the notice of sale, management may conduct a public sale of the abandoned mobilehome and its contents. Management may bid at the sale and must have the right to offset its bids to the extent of the total amount due it under this section. Management must retain the proceeds of the sale, but any unclaimed amount over and above the amount to which the management is entitled must be deemed abandoned property and must be paid to the County of Riverside within thirty days of the date of the sale. The former homeowner or any other owner may claim any or all of that unclaimed amount within one year from the date of payment to the county by making application to the county treasurer or other official designated by the county. If the county pays any or all of that unclaimed amount to a claimant, neither the county nor any officer or employee of the county is liable to any other claimant as to the amount paid. (Civil Code § 798.61(f))

Within thirty days of the sale of the mobilehome and its contents, management must submit to the court an accounting of the money received from the sale and the disposition of the money and the items contained in the inventory on file with the court. (Civil Code § 798.61(g))

Management must provide the purchaser at the sale with a copy of the judgment of abandonment and evidence of the sale, as specified by HCD or the Department of Motor Vehicles, which must register title in the abandoned mobilehome to the purchaser upon presentation thereof. The sale must pass title to the purchaser free of any prior interest, including any security interest or lien, except the lien provided for in Section 18116.1 of the Health & Safety Code, in the abandoned mobilehome. (Civil Code § 798.61(h))

Purchase or Transfer of Mobilehomes

A. Advertising Mobilehome for Sale, Lease or Exchange

Homeowners or their agents or successors in interest may advertise the sale or exchange of a mobilehome by displaying a sign in the window of the mobilehome, or posting a sign on the side of or in front of the mobilehome. Rentals may be advertised if not prohibited by terms of an agreement with management. Signs posted in front of a mobilehome of an H-frame or A-frame design with the sign face perpendicular to, but not extending into, the street. Homeowners may attach to the sign or their mobilehome, tubes or holders for leaflets that provide information on the mobilehome for sale, exchange, or rent. (Civil Code § 798.70)

B. Advertising an Open House

Unless otherwise expressly prohibited by park rules, homeowners or their agents or successors in interest may display a sign in the window of the mobilehome, or on the side of or in front of the mobilehome facing the street that indicates the mobilehome is on display for an "open house." The sign must state the name, address, and telephone number of the owner of the mobilehome or his or her agent and the sign face must not exceed 24 inches in width and 36

inches in height. The sign may be of an H-frame or A-frame design with the sign face perpendicular to, but not extending into, the street. (Civil Code § 798.70)

C. <u>Management Showing of Mobilehome</u>

Park management is prohibiting from showing or listing for sale a mobilehome without first obtaining the owner's written authorization. The authorization must specify the terms and conditions regarding the showing or listing. (Civil Code § 798.71(a)(1))

D. Notification to Management

Management may require that a homeowner advise management in writing that his or her mobilehome is for sale; however, a homeowner's failure to comply with this requirement does not invalidate a transfer. (Civil Code § 798.71(a)(1))

E. <u>Management's Limitations</u>

Park management may not prohibit the listing or sale of a mobilehome within the park by the homeowner or an heir, joint tenant, or personal representative of the estate who gains ownership of the mobilehome through the death of the mobilehome owner, or the agent of any such person other than the management. (Civil Code §§ 798.71(b) and 798.81)

Management may not require the seller to authorize it or any other specified broker, dealer, or person to act as the agent in the sale as a condition of resale of the home in the park or of management's approval of the buyer or prospective homeowner for residency in the park. (Civil Code §§ 798.71(c) and 798.81)

F. <u>Prohibited Fees</u>

Management may not charge the seller a transfer or selling fee as a condition of a sale of the mobilehome unless it performs a service in the sale. Management may not perform any such service in

connection with the sale unless so requested, in writing, by the seller, or his or her agent. (Civil Code § 798.72(a))

Management may not charge a prospective homeowner or his or her agent, upon purchase of a mobilehome, a fee as a condition of approval for residency in a park unless the management performs a specific service in the sale. The management shall not impose a fee, other than for a credit check, for an interview of a prospective homeowner. (Civil Code § 798.72(b))

G. Removal Upon Sale

Management may not require the removal of a mobilehome from the park in the event of its sale to a third party during the term of the homeowner's rental agreement or in the sixty days following the initial notice to sell or remove the mobilehome. (Civil Code § 798.73)

However, in the event of a sale to a third party, and in order to upgrade the quality of the park, management may require removal of a mobilehome under the following conditions:

- The mobilehome is more than twenty-five years old and fails to comply with the health and safety standards for fuel, gas, water, electricity, or sewage connections, construction, location, and use of mobilehome accessory buildings or structures and electrical, mechanical, or plumbing installations set forth in the Mobilehome Parks Act and its related regulations, as determined following an inspection by the City's mobilehome inspector.
- Management reasonably determines that the mobilehome is in a significantly rundown condition or in disrepair, as evidenced by the general condition of the mobilehome and its acceptability to the health and safety of the occupants and to the public, exclusive of its age. Management may not require repairs or improvements to the park space or its own property except for damage caused by the actions or negligence of the homeowner or an agent of the homeowner.

If management requires removal of a mobilehome under these provisions, notice specifying the condition permitting removal must be given to the homeowner prior to removal. (Civil Code § 798.73)

H. <u>Upgrades on Resale</u>

In the case of a sale or transfer of a mobilehome that will remain in the park, the management may only require repairs or improvements to the mobilehome, its appurtenances, or an accessory structure under the following conditions:

- The repair or improvement is to the mobilehome, its appurtenances, or an accessory structure not owned and installed by the management and is necessitated by a local ordinance or state statute or regulation relating to mobilehomes, or a rule or regulation of the park that implements or enforces a local ordinance or a state statute or regulation relating to mobilehomes. (798.73.5(a))
- The repair or improvement is the exterior of the mobilehome, its appurtenances, or an accessory structure not owned and installed by the management, the repairs or improvement of which is necessitated by a local ordinance or state statute or regulation relating to mobilehomes, or a rule or regulation of the park that implements or enforces a local ordinance or a state statute or regulation relating to mobilehomes. (798.73.5(a))
- The repair or improvement is to damage of the park space or property owned by management that was caused by the actions or negligence of the homeowner or an agent of the homeowner, the repair or improvement of which is necessitated by a local ordinance or state statute or regulation relating to mobilehomes, or a rule or regulation of the park that implements or enforces a local ordinance or a state statute or regulation relating to mobilehomes. (Civil Code § 798.83)

I. Written Summary of Repairs

Management must provide the homeowner with a written summary of repairs or improvements that management requires to the

mobilehome, its appurtenances, or an accessory structure no later than 10 business days following the receipt of a request for this information as part of the homeowner's sixty-day notice of termination. (Civil Code § 798.73.5(b))

This summary must include specific references to park rules and regulations, local ordinances, and state statutes and regulations relating to mobilehomes upon which the request for repair or improvement is based. (Civil Code § 798.73.5(b))

J. <u>Management Approval of Buyer</u>

Park management may require the right of prior approval of a purchaser of a mobilehome that will remain in the park. Management may also require the selling homeowner or his or her agent give notice of the sale to the management before the close of the sale. (Civil Code § 798.74(a))

Management cannot withhold approval if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. In determining whether the purchaser has the financial ability to pay the rent and charges of the park, the management shall not require the purchaser to submit copies of any personal income tax returns. However, management may require the purchaser to document the amount and source of his or her gross monthly income or means of financial support. (Civil Code § 798.74(a))

Upon request of any prospective homeowner who proposes to purchase a mobilehome that will remain in the park, management must inform that person of the information management will require in order to determine if the person will be acceptable as a homeowner in the park. Within fifteen business days of receiving all of the information requested from the prospective homeowner, management must notify the seller and the prospective homeowner, in writing, of either acceptance or rejection of the application, and the reason if rejected. During this fifteen-day period, the prospective homeowner

must comply with management's request, if any, for a personal interview. (Civil Code § 798.74(a))

Management or the park owner may be held liable for damages if approval of a prospective homeowner is withheld for any other reason. (Civil Code § 798.74(a))

K. Credit Report

If park management collects a fee or charge from a prospective purchaser of a mobilehome in order to obtain a financial report or credit rating, management must credit the full amount of the fee or charge toward payment of the first month's rent for that mobilehome purchaser. If, for whatever reason, management rejects the prospective purchaser, management must refund the full amount of the fee or charge within thirty days from the date of rejection. If management approves the prospective purchaser, but, for whatever reason, the prospective purchaser elects not to purchase the mobilehome, the management may retain the fee or a portion thereof, to defray its administrative costs. (Civil Code § 798.74(b))

L. Transfer to Legal Heir

A legal heir who continues in possession of a mobile home after the registered homeowner dies, must promptly take the necessary steps to legally transfer ownership. Failure to transfer title can result in summary eviction. Park management has the right to require the heir to qualify under the same criteria that would apply to a new purchaser. The heir may sell the home "in place", as long as all of the obligations of the deceased homeowner are kept current.

M. <u>Transfer Disclosure Requirements</u>

Certain written disclosures must be made prior to the transfer or sale of a mobilehome in a mobilehome park. (Civil Code § 1102 et. al.)

If the sale involves an agent, the disclosure must be made as soon as practicable, but no later than the close of escrow; if the sale does not involve an agent, the disclosure must be made at the time of

execution of any document by the prospective transferee with the transferor for the purchase of the mobilehome. (Civil Code § 1102.3a(a))

N. Rent Disclosure Requirements

Within two business days of receiving a request from a prospective homeowner for an application for residency for a specific space within a mobilehome park upon which is located a mobilehome listed for sale, management must provide the prospective homeowner with a written rental disclosure form. The form includes an explanation of the dual nature of ownership, the fact that a lease or rental agreement will be required, and the applicable rental rates and other charges that will apply, as well as the right to a copy of the park rules. (Civil Code § 798.74.5)

O. Rental Agreement Required for Park Occupancy

An escrow, sale, or transfer agreement involving a mobilehome that is located in a park at the time of the sale and is to remain in the park, must contain a copy of either a fully executed rental agreement or a statement signed by the park's management and the prospective homeowner that the parties have agreed to the terms and conditions of a rental agreement. (Civil Code § 798.75(a))

A purchaser who fails to execute the rental agreement has no rights of tenancy. (Civil Code § 798.75(b)) An occupant with no rights of tenancy is not otherwise entitled to occupy the mobilehome and is considered an unlawful occupant if, after a demand is made for the surrender of the mobilehome park site, for a period of five days, the occupant refuses to surrender the site to park management. If the unlawful occupant fails to comply with the demand, he or she is subject to an unlawful detainer action. (Civil Code § 798.75(c))

An occupant of the mobilehome is not an unlawful occupant and is not subject to an unlawful detainer action if all of the following conditions are present:

The occupant is the registered owner of the mobilehome.

- Management has determined that the occupant has the financial ability to pay the rent and charges of the park, will comply with the rules and regulations of the park based on the occupant's prior tenancies, and will comply with the MRL requirements for the transfer of mobilehomes.
- Management failed or refused to offer the occupant a rental agreement. (Civil Code § 798.75(d))

Sale or Transfer of the Park

A. Notice of Intent to Sell

In order for homeowners to qualify for advance written notice of the park owner's intent to sell, the homeowners association ("HOA") must have provided the owner or the park manager with the name and address of its president, secretary, and treasurer to whom the owner or manager must serve with the notice of intent to sell. The HOA must also provide the owner or manager written notice of any changes to those names and addresses within five days of the change.

The owner or manager must deliver the notice of intention to sell to the designated HOA officers no sooner than thirty days or more than one year prior to listing the park for sale with a real estate broker or offering the park for sale to any party.

If the residents are interested in purchasing the park, the HOA must provide written notice of that fact to the owner or manager upon receipt of the thirty-day notice of intent to sell and prior to the owner listing the park or offering to sell it. The HOA must give subsequent notice once each year thereafter that the park residents are interested in purchasing the park. (Civil Code § 798.80(a)(b))

B. <u>Exceptions</u>

Homeowners are not entitled to advance notice of the sale or transfer of the park under the following conditions:

- The owner is selling or transferring the park to a relative;
- The transfer is a gift or inheritance or is legally required;
- The transfer is by a corporation to an affiliate;
- The transfer is by a partnership to any of its partners;
- The transfer or conveyance is the result of a judicial or nonjudicial foreclosure of a mortgage or deed of trust encumbering the park or any deed given in lieu of such a foreclosure;
- The sale or transfer is between or among joint tenants or tenants in common; or
- The sale is the result of the acquisition of the park by a governmental entity under its powers of eminent domain. (Civil Code § 798.80(e))

Remedies

A. Remedies in General

Under the MRL, the park, residents or the City may remedy public nuisances by filing a public nuisance action. (Civil Code § 798.87(a) and (b)) Violations of reasonable park rules or regulations may be remedied by filing an injunction action. (Civil Code § 798.88)

Under the Mobilehome Parks Act, violations of the Act or any of its regulations, or failure to timely abate a violation, may subject the violator to a criminal action filed by the City. (Health & Safety Code § 18700; 25 Cal. Code of Regs. § 1617

B. Public Nuisance Actions in General

The substantial failure of the management to provide and maintain physical improvements in the common facilities in good working order and condition one example of a public nuisance under the MRL. (Civil Code § 798.87(a)) A substantial violation of a mobilehome park

rule is also a public nuisance under the MRL. (Civil Code § 798.87(b))

Public nuisance actions filed by residents and owners are filed in the name of the people of the State of California. (Civil Code § 798.87) The prevailing party is entitled to recover its reasonable attorney's fees and costs. (Civil Code § 798.85)

C. Public Nuisance Actions Filed By Residents

Under the MRL, a park resident may file a public nuisance action against the park owner and management to abate a substantial failure to provide and maintain the common facilities in good working order and condition. (Civil Code § 798.87) However, the resident must provide management at least thirty days' advance notice of his or her intention to file the action. (Civil Code § 798.84(a)) The notice must be in writing and must be signed by the homeowner or homeowners making the allegations. The notice must make specific allegations that form the basis of the action and must specify the remedies requested. (Civil Code § 798.84(b)) Management is deemed notified of the alleged nuisance conditions once it has been served with the notice of intent to commence action or once it has been notified of an alleged failure to maintain the improvements by the City. (Civil Code § 798.84(d))

D. <u>Public Nuisance Actions Filed By Park Owner or Manager</u>

Likewise, under the MRL, a park owner or manager may file a public nuisance action against a park resident to abate a substantial violation of a park rule; however, the owner or manager is not required to provide the resident with advance notice.

E. <u>Public Nuisance Actions Filed By the City</u>

Under the MRL, the City may file a public nuisance action against a resident for a substantial violation of a park rule in the name of the people of the State of California. (Civil Code § 798.87(c)) The prevailing party in that action is entitled to recover its reasonable attorney's fees and costs. (Civil Code § 798.85)

The Mobilehome Parks Act provides additional authority to the City Attorney to file a public nuisance action to abate nuisance conditions within a park that are the responsibility of the park owner. (Health & Safety Code § 18402) Under the Act, if the City orders a park owner to abate a nuisance condition, the owner must abate that nuisance within five days, unless the City extends the time. If the owner fails to abate the nuisance within the designated time, the City Attorney may file a public nuisance action in the name of the people of the State of California. (Health & Safety Code § 18402) If the City Attorney successfully files and maintains a public nuisance action against the owner, the City may recover from the owner all of its investigative and case preparation costs, court costs and attorney fees, costs associated with any physical actions taken to abate the violation, and any technical service or other fees related to the abatement activity. (25 Cal. Code of Regs. § 1618)

F. <u>Civil Action filed by Homeowner</u>

Under the MRL, a homeowner may file a civil action based upon management's reduction in services. Similar to the requirements for filing a public nuisance action, the homeowner must provide management at least thirty days' advance notice of his or her intention to file the action. (Civil Code § 798.84(a)) The notice must be in writing and must be signed by the homeowner or homeowners making the allegations. The notice must make specific allegations that form the basis of the action and must specify the remedies requested. (Civil Code § 798.84(b)) Management is deemed notified of the alleged reduction in services once it has been served with the notice of intent to commence action or once it has been notified of an alleged reduction in services by the City. (Civil Code § 798.84(d))

The prevailing party in such action is entitled to recover its reasonable attorney's fees and costs. (Civil Code § 798.85)

G. Civil Action filed by the City

The Mobilehome Parks Act authorizes the City to file a civil action against a park owner and manager to prevent, restrain, correct, or abate a violation of the Act or its regulations, or any City order or notice that pertains to the unlawful construction, alteration, use, occupancy or maintenance of the park or a portion of the park. (Health & Safety Code § 18404)

H. <u>Injunction Action Filed by the Park</u>

Park management may file a petition for a court order enjoining a continuing or recurring violation of any reasonable park rule or regulation. This remedy is in addition to the management's right to terminate the violator's tenancy. (Civil Code § 798.88(a))

At the time the petition is filed, management may seek a temporary restraining order, which may be granted by the court if management demonstrates to the court reasonable proof of the violation and that great or irreparable harm would result to the management or other homeowners or residents of the park if the violation is permitted to continue or reoccur. (Civil Code § 798.88(a)(b))

Within fifteen days from the filing of petition for an injunction, the court will consider the matter at a hearing. If the court determines that there exists a continuing or recurring violation of a reasonable park rule or regulation, the court will issue an injunction prohibiting the violation. (Civil Code § 798.88(d))

An injunction can last for up to three years. However, if the violation continues or if there is a threat of a new violation, management may again petition for a new injunction, provided it does so no later than three months prior to the expiration of the injunction. (Civil Code § 798.88(d)(e))

I. <u>Criminal Actions</u>

While there are no criminal penalties specified in the MRL, the willful violation of the Mobilehome Parks Act or its regulations is a misdemeanor offense that may subject the violator to a criminal action filed by the City Attorney. (Health & Safety Code § 18700)

The offense is punishable by a fine not exceeding four hundred dollars (\$400) or by imprisonment not exceeding thirty days, or both the fine and the imprisonment. (Health & Safety Code § 18700)

J. Suspension of Permit to Operate

Under the Mobilehome Parks Act, the City may suspend the operating permit of a park owner who violates the Act or any of its rules or regulations, whether willfully or not. (Health & Safety Code § 18510)

K. <u>Unfair Business Practice</u>

The District Attorney's Office has the discretion to sue a park owner for unfair business practices (Business & Prof. Code § 17200 et seq.) for failing to maintain, as required by the Mobilehome Parks Act, proper mechanical, electrical, sanitary, safety and other installations within the park and the owners neglect to enforce licensing, registration and other legal requirements for vehicles within the park. (People v. McKale (1980) 25 Cal.3d 626, 633-634)

Civil Damages, Penalties and Fines

In a civil action filed by a homeowner against management to enforce his or her rights under the MRL, the court may award a homeowner who is the prevailing party a statutory penalty not to exceed two thousand dollars (\$2,000) for each willful violation by the management. The penalty is in addition to any other damages awarded by the court. The court may also award the homeowner punitive damages. (Civil Code § 798.86)

Additionally, under the Mobilehome Parks Act, any person who willfully violates the Act or any its related rules or regulations is liable for a civil penalty of five hundred dollars (\$500) for each violation or for each day of a continuing violation. (Health & Safety Code § 18700)

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